

# GOVERNMENT SECURITIES MANUAL

*Issued by authority of the Central Government*

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**Third Edition**

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CALCUTTA  
GOVERNMENT OF INDIA PRESS  
1939

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THIS Manual was originally compiled in 1918 in order to bring together in one place all orders existing at the time in the Civil Account Code and elsewhere regarding Government Securities. A revised edition was issued in 1921. The Manual has now again been revised and incorporates the changes due to the passing of the Government of India Act, 1935, the amendment of the Indian Securities Act, the creation of the Reserve Bank of India and the transfer to it of the statutory duties in relation to the public debt which were previously performed by the Controller of the Currency, the decentralisation of the administration of the public debt and the creation of a new Public Debt Office at Delhi. The orders contained in this edition supersede all previous orders on the subject.



# CONTENTS

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	PAGES.
CHAPTER I —Introductory, description of securities, current rupee loans	1—13
CHAPTER II —Conversion of securities from one form to another	14—21
CHAPTER III —Transfer between loans	22—24
CHAPTER IV —Payment of interest	25—50
CHAPTER V —Endorsements on promissory notes	51—74
CHAPTER VI —Renewal of securities	75—84
CHAPTER VII —Procedure in connection with the issue of new loans of the Central Gov- ernment	85—94
CHAPTER VIII —Procedure for repayment of terminable loans	95—102
CHAPTER IX —Securities held by Government officers in their official capacities and deposit of promissory notes for safe custody at treasuries	103—118
CHAPTER X —Miscellaneous, sale or transfer of stock, consolidation and sub-division of securities non-transferable deposit receipts; issue of duplicate securities, transfer of securities to London, loans which have not been decentralised	119—124
APPENDICES—	
I —The Indian Securities Act, 1920, as amended up to the 1st May 1938	125—136
II —Rules under the Indian Securities Act, 1920	137—164
III —List of offices, holders of which can hold Government securities by name of the office	165—172
IV —Extracts from the Rules regarding Post Office Cash Certificates	173—180
SCHEDULE OF FORMS	181—182
FORMS	183—215
INDEX	216—228



# Government Securities Manual.

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## CHAPTER I

### INTRODUCTORY.

**1. Scope and extent of application.**—The rules in this Manual lay down the procedure to be followed in Government offices in dealing with securities of the rupee loans issued by the Governor General in Council. The law relating to Government securities is contained in the Indian Securities Act (Act X of 1920), as amended from time to time, which is reproduced in Appendix I. Section 24 of this Act empowers the Government issuing the loan or security to make rules on certain matters relating to Government securities and the rules so made have the force of law. The statutory rules applicable to the securities issued by the Governor General in Council are contained in Appendix II. The procedure laid down in this Manual is based both on those statutory rules and on the departmental instructions, supplementary thereto, which the Central Government have issued from time to time on a number of other matters connected with their securities.

The management of the public debt and the maintenance of the accounts relating thereto are vested in the Central Public Debt Office, Calcutta, which is managed on behalf of Government by the Reserve Bank of India. At Bombay, Madras, and Delhi also there are Public Debt Offices which are managed by the local offices of the Reserve Bank of India and are entrusted with certain functions of the Central Public Debt Office. A substantial and important part of the work falls, however, on the district treasuries, and in view of the increased extent to which Government securities are held by the people at large, outside the Presidency towns, the responsibilities of Treasury Officers are now considerable and Government



have to rely increasingly upon the care and attention with which they perform their duties in connection with those securities. It is mainly for the use of Treasury Officers that this Manual has been issued, and they should make themselves thoroughly conversant with the instructions contained herein more especially with those contained in Chapters IV (Payment of Interest) and V (Endorsements on Promissory Notes), which deal with matters of direct and frequent concern to the work at treasuries. The Public Debt Offices will also find the explanations and the elucidations of the Indian Securities Act and the Indian Securities Rules given in this Manual useful in connection with their work and should follow them in principle.

Unless there be anything repugnant in the subject or context and without prejudice to the provisions of the law and of the statutory rules mentioned above, the rules contained in Chapters IV, VII and VIII of the Manual, in so far as they deal with the procedure relating to disbursement of moneys from and receipt of moneys into, the Public Account of the Central Government at the Treasury or the Bank, should be regarded as rules made under section 151 (1) of the Government of India Act, 1935. Likewise the rules in this Manual which prescribe the initial accounts to be kept at the treasury in respect of payment of interest on Government securities, repayment of principal of loans, receipt of subscription to new loans and other allied transactions, should be regarded as rules issued by the Auditor General of India with the approval of the Governor General in Council under section 168 of the Government of India Act 1935, and subject to any directions contained in this behalf in Part II of the Account Code.

**2. Jurisdiction of Public Debt Offices—Decentralised Loans.**—The work of dealing with securities on

which interest is payable at treasuries and sub-treasuries is distributed between the four Public Debt Offices. The jurisdiction of each of the Public Debt Offices, Bombay, Calcutta, Delhi and Madras in respect of loans which have been decentralised, and in respect of any new loans which may be issued by the Central Government, is as follows —

*Public Debt Office, Bombay* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountants General, Bombay and Central Provinces and Berar, and the Comptroller, Sind, and the Central Government Treasuries at Baroda, Hyderabad (Deccan), Indore, Muskat, Rajkot and Sabar Kantha.

*Public Debt Office, Calcutta* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountants General, Bengal, Bihar and Burma, and the Comptrollers, Assam and Orissa, the Central Government Treasuries at Manipur, Nepal, Nowgong (Bundelkhand) and Port Blair, and the Bikaner and Cooch Behar State Treasuries.

*Public Debt Office, Delhi* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountants General, Punjab and United Provinces, and the Comptroller, North-West Frontier Province, and the Central Government Treasuries at Ajmer, Kurram, Sambhar and Quetta.

*Public Debt Office, Madras* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountant General, Madras, and the Central Government Treasuries at Bangalore, Coorg and Travancore.

NOTE 1 — The following are the only Central Government loans which have not been decentralised —

(i) 5 per cent Loan, 1939-44

(ii) 3 per cent Bonds, 1941

(iii) 5 per cent Loan, 1940-43

(iv) 4 per cent Bonds, 1943

(v) 5 per cent Income-tax free loan 1945-55

(vi) Loans notified for discharge on or before 1st October 1938

References in respect of these loans should be addressed to the Public Debt Office prescribed in paragraph 124

NOTE 2 —Securities cannot now be enfaced or registered for payment of interest at any place in Burma but interest will continue to be paid in Burma on securities already enfaced or registered there. The principal of such securities will similarly be paid on maturity. The existing facilities for renewal, sub-division, consolidation, conversion (including conversion between two existing loans) or transfer from one treasury to another in Burma will continue. Securities enfaced on Burma may be transferred to any place in India but no subsequent re-transfer to Burma will be allowed.

**3. Responsibility of Treasury Officers in dealing with Government securities.**—The rules in this Manual are designed for the protection of the interests both of Government and of the holders of securities. Treasury Officers' duties do not, however, end with the due and formal observance of them. They should remember that it is they, and the staffs working under them, who deal direct with the public, the popularity of Government securities, particularly among investors outside the large cities, is in a large measure dependent upon the expedition with which the business of those investors is put through, the absence of unnecessary formality, and, generally, the consideration with which they are treated, whenever they have occasion to visit a treasury to draw interest, or to make enquiries, or to do any other business in connection with their securities.

**4.** In the present chapter a general description is given (1) of the nature and main characteristics of the three prin-

cipal forms in which Government securities are issued, and (2) of the various loans which comprise the rupee debt issued by the Central Government and in respect of which such securities are in existence. The subsequent chapters describe in detail the procedure to be followed in connection with such matters as the conversion of one form of security into another, transfer between loans, payment of interest, renewal of securities, repayment of terminable loans, etc.

**5. Nature of securities issued.**—The three main forms in which the rupee debt is held are —(1) *Stock*, or, as it is sometimes called, *Book Debt*, (11) *Bearer Bonds*, (111) *Promissory Notes*

- (1) When debt is held in the form of *Stock* the owner is given a certificate to the effect that he has been registered in the books of the Public Debt Office as the proprietor of a certain amount of Government Stock of a specified loan. This certificate is known as a *Stock Certificate*, and it is by that name that this form of debt is generally known, and will be referred to in this Manual.
- (11) A *Bearer Bond* certifies that the bearer is entitled to a certain sum of rupees in respect of the loan to which the bond relates.
- (111) A *Promissory Note* contains a promise by the Governor General in Council, to pay a certain person or his order a specified sum, either on a specified date or after certain notice (according to the terms of the particular loan to which the promissory note relates), and to pay interest thereon at a certain rate half-yearly on certain specified dates.

Each of the above three forms of security is convertible by the holder into either of the other two (*vide* Chapter II)

NOTE—Government Promissory notes of any loan can be converted into stock certificates or *vice versâ* Bearer bonds are issued for certain specified loans only They are also convertible into stock certificates or Government Promissory notes

**6. Comparison of the three principal forms of securities.**—The chief characteristics and relative advantages of the above three forms of Government securities are as follows —

- (1) *Stock Certificates*—The ownership of Government Stock depends, not on the possession of a stock certificate, but on the fact that the owner's name is registered in the books of the Public Debt Office as being the proprietor of so much stock The sale, delivery, or endorsement of the certificate does not effect a change of ownership, which can only be carried out by means of a transfer deed, upon execution of which the transferee's name is substituted for that of the transferor in the books of the Public Debt Office It follows, therefore, and this is the essential characteristic of this form of public debt, that the owner of Government stock possesses a practically complete security against loss by theft, fire, etc A stock certificate is of no value in the hands of a wrongful holder, and the risk arising from the possession of other forms of negotiable securities is thereby avoided, while an owner of stock who loses his certificate can always obtain a fresh one by satisfying the Public Debt Office that the certificate has been lost The transfer deed, execution of which is necessary to effect a

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change of ownership, is merely a printed form, copies of which are obtainable at any Public Debt Office (or the blank form printed on the back of the certificate itself can be used for this purpose), it does not require to be stamped, and its execution involves no expense and no formality, beyond the filling up of the form and its signature, before a witness, by the two parties

A further advantage of holding debt in this form is that interest on stock is paid by warrants issued by the Public Debt Office on whose books it is registered and payable either at the local office of the Reserve Bank of India or at the request of the holder of the certificate, to be preferred in writing to the Public Debt Office, at any other Indian office of the Reserve Bank of India or at any branch of the Imperial Bank of India acting for the time being as the agent of the Reserve Bank of India or at any treasury or sub-treasury in British India, or, in a State in India, at the Head Post Office, if there is no British Indian treasury, or, if there is no Head Post Office, at any Post Office designated by the Central Government by order in writing in this behalf. The presentation of the stock certificate itself is not required at the time of either the issue of the interest warrants or their encashments

Stock is thus a particularly convenient form in which Government securities may be held. It has the advantage that it enables the holders to be described in the certificates and in the registers of the Public Debt Office as trustees.

in relation to those securities, either as trustees of any particular trust or as trustees without any qualification. The description of the stockholders in the certificate and in the books of the Public Debt Office as trustees affords a ready means of distinguishing the securities belonging to them personally from those held by them in a fiduciary capacity. Further, this is the only form of Government security which can be held by holders of offices (other than public offices) in the names of their offices, such, for example, as Secretary of a school or dispensary, *Shebait* of a deity, or manager of a temple. Stock certificates so held can be negotiated without any difficulty or objection by the holder of the office for the time being, difficulties arising from changes in the incumbency of the offices being thus avoided.

- (11) *Bearer Bonds*—As their title indicates, these bonds are payable to bearer, and, so far as Government is concerned, possession is sufficient to constitute ownership, transference of which can be effected without any formalities and by the mere delivery of the bond by the transferor to the transferee. When the loan in respect of which the bond has been issued, falls due for redemption, payment of the amount due on the bond will be made to the actual presenter, as in the case of a currency note or bank note without any enquiry as to the status or title of the presenter, and with no regard to any endorsement that may appear on the bond. The essential characteristic, therefore, of a bearer bond is the absolute freedom with which it can be negotiated.

Similarly, as in the case of stock certificates, holders of bearer bonds are not required to present them, either in person or by an agent, when the interest falls due. Interest coupons are attached to each bond, and payment is made on due date to the presenter of a coupon at the Public Debt Office or the treasury at which the bond is registered for payment of interest, or at any sub-treasury subordinate to such treasury.

NOTE—The following loans only may be held in the form of Bearer Bonds —

(1)  $3\frac{1}{2}$  per cent Loan, 1854-55

(11) 5 per cent Loan, 1945-55

(111) *Promissory Notes*—A promissory note is negotiable by endorsement, cages for which are printed on the back of each note. Interest is payable at the Public Debt Office or at the treasury on which the note is enfaced for payment of interest, or at any sub-treasury subordinate to such treasury, on presentation of the note itself.

7. In several respects, therefore a promissory note stands mid-way between the other two forms of Government securities, thus,

(a) As regards security against loss, a promissory note is less secure than a stock certificate but more secure than a bearer bond. A stock certificate, as stated above, is of no value in the hands of a wrongful holder. A person who has obtained possession of a promissory note belonging to another person can use it to his advantage, only if he forges an endorsement or impersonates the rightful owner, and the rules, laid down in subsequent chapters of this Manual for dealing with promissory notes when



presented at a Government office, render such criminal acts liable to be readily detected. It is, however, easy for the wrongful holder of a bearer bond to dispose of it readily and the only complete safeguard against the loss of a bond by theft or misappropriation, is safe custody.

- (b) On the other hand, as regards negotiability, a promissory note is negotiable somewhat more readily than a stock certificate (though only to the extent by which an endorsement by the vendor of a promissory note is simpler than the signature by both parties of the form of transfer of a stock certificate and the subsequent registration of such transfer in the books of the Public Debt Office) and less readily than a bearer bond, ownership of which passes simply by delivery of the bond itself.

A promissory note is thus a compromise between the two extremes of complete security and immediate negotiability, and it is probably due to this fact that this form of Government security has hitherto proved the most popular of the three, more especially among those classes of investors who are not yet conversant with modern business methods and who at the same time possess few facilities for the safe custody of valuable documents.

**8. Other forms of Government securities.**—*Treasury Bills and Post office Cash Certificates* are also forms of Government securities.

*Treasury Bills* are a method by which Governments borrow money for short periods. The period of repayment may vary between three and twelve months, but three months has become the normal period for Central Government bills. The bills are sold at a discount and on maturity

the full face value is paid to the holder, the difference representing the yield on the investment. They are issued and repaid at the offices of the Reserve Bank of India at Calcutta, Bombay, and Madras and at the branches of the Reserve Bank of India at Cawnpore, Lahore and Karachi. Any person making enquiries in respect of treasury bills at a treasury should be referred to the office or branch of the Reserve Bank of India. The rules regarding the renewal of treasury bills and the recovery of their value, if lost, stolen or destroyed, are given in Appendix II.

The sale of *Cash Certificates* is managed by the Post Office, and any one inquiring about them should be referred to the local postmaster. Extracts from the rules regarding cash certificates are given in Appendix IV.

The above two forms of Government securities are not further referred to in this Manual. The procedure laid down in paragraph 108 for promissory notes should be adopted *mutatis mutandis* in the case of treasury bills deposited with a Government officer in his official capacity. Cash certificates so deposited should be formally transferred to the Government officer with the sanction of the Head Postmaster irrespective of the period for which they are pledged and should be forwarded to the nearest treasury for safe custody.

## 9. Current rupee loans of the Central Government.

—The existing rupee loans are of two kinds —

- (1) Those which Government have undertaken not to repay before a certain fixed date, but which are repayable at the option of Government at any time after that date, after giving notice. As there is no fixed term at the expiry of which the repayment of such loans by Government is obligatory, they are usually known as *Non-Terminable Loans*. In the case of all these

loans the date, before which the loan is not to be repaid, has already passed

- (2) Those which Government have undertaken to repay either (a) on a certain fixed date, or (b) not earlier than a certain fixed date and not later than another fixed date. Such loans are called *Terminable Loans*

10. The following are the loans now in existence —

(a) *Non-Terminable Loans*

Name of loan	Half yearly date of payment of interest	Conditions of repayment
3½ per cent loan of 1842-43	1st February and 1st August	} Repayable at par at the option of Government after three months' notice
3½ per cent loan of 1854-55	30th June and 31st December	
3½ per cent loan of 1865	1st May and 1st November	
3½ per cent loan of 1879	16th January and 16th July	
3½ per cent loan of 1900-01.	30th June and 31st December	
3 per cent loan of 1896-97	30th June and 31st December	

(b) *Terminable Loans*

Name of loan	Half-yearly date of payment of interest	Dates on which loans are repayable at par
3 per cent bonds, 1941	15th March and 15th September	On 15th September 1941.
5 per cent loan, 1939-44	15th January and 15th July	On or before 15th July 1944, but not before 15th July 1939, with three months' previous notice
5 per cent. loan, 1940-43	1st April and 1st October	On or before 1st October 1943, but not before 1st October 1940, with three months' previous notice

## INTRODUCTORY

[Paras. 10-11]

*(b) Terminable Loans—contd*

Name of loan	Half-yearly date of payment of interest	Dates on which loans are repayable at par
4 per cent bonds, 1943	1st February and 1st August	On 1st August 1943
5 per cent income tax free loan, 1945-55	15th April and 15th October	On or before 15th October 1955, but not before 15th October 1945, with three months' previous notice
3½ per cent loan, 1947-50	15th May and 15th November	On or before 15th November 1950, but not before 15th November 1947, with three months' previous notice
2½ „ „ 1948-52	1st June and 1st December	On or before 1st June 1952 but not before 1st June 1948, with three months' previous notice
3 „ „ 1951-54	15th March and 15th September	On or before 15th September 1954, but not before 15th September 1951, with three months' previous notice
4½ „ „ 1955-60	15th March and 15th September	On or before 15th September 1960, but not before 15th September 1955, with three months' previous notice
4 „ „ 1960-70	15th March and 15th September	On or before 15th September 1970, but not before 15th September 1960, with three months' previous notice
3 „ „ 1963-65	1st June and 1st December	On or before 1st June 1965, but not before 1st June 1963, with three months' previous notice

11. Subject to certain conditions and exceptions, transfers are permitted between certain of the above loans, *viz*, between any of the non-terminable 3½ per cent loans and from the 3 per cent loan of 1896-97 to the 3½ per cent loan of 1900-01. The detailed rules regarding such transfers are contained in Chapters II and III.

**Paras. 12-13]      CONVERSION OF GOVERNMENT SECURITIES  
FROM ONE FORM TO ANOTHER**

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## CHAPTER II

### CONVERSION OF GOVERNMENT SECURITIES FROM ONE FORM TO ANOTHER

**12.** Conversion of securities can be effected by that Public Debt Office only, where, or within whose area of jurisdiction, the securities are desired to be enfaced or registered for payment of interest

**13. Conversion of a Security of one loan into another form of security of a different loan.**—When a holder desires to convert securities of one loan into another form of security of a different loan, the conversion will be subject to the rules and conditions, regarding transfer between loans, contained in Chapter III and also to the following —

- (i) Promissory notes of any of the non-terminable  $3\frac{1}{2}$  per cent loans may be converted into stock certificates of the same or of any other non-terminable  $3\frac{1}{2}$  per cent loan
- (ii) In order to avoid unnecessary multiplication of forms, no bearer bonds of any non-terminable  $3\frac{1}{2}$  per cent loan, other than the  $3\frac{1}{2}$  per cent loan of 1854-55, are issued. Consequently, holders of stock certificates or promissory notes of any non-terminable  $3\frac{1}{2}$  per cent loan, who desire to convert the same into bearer bonds, will receive bonds of the 1854-55 loan only
- (iii) Bearer bonds are not issued in respect of the 3 per cent loan of 1896-97. Consequently, holders of stock certificates or promissory notes of the 3 per cent loan of 1896-97, desiring to convert their securities into bearer bonds, will be given bearer bonds of the  $3\frac{1}{2}$  per cent loan of

CONVERSION OF GOVERNMENT SECURITIES [Paras. 13-15  
FROM ONE FORM TO ANOTHER

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1854-55 only, on the same terms as those set forth in paragraph 26, for transfers from 3 per cent loan to the  $3\frac{1}{2}$  per cent loan of 1900-01

(iv) When stock certificates are converted into promissory notes, the notes issued will be of the same loan as that to which the stock certificates relate

(v) Bearer bonds of any loan can only be converted into stock certificates or promissory notes of the same loan

**14. Conversion of stock certificates into bearer bonds or promissory notes.**—A holder of a stock certificate, wishing to convert the whole or a portion of the sum represented by it into either bearer bonds or promissory notes, may do so by tendering it either at the Public Debt Office in whose books the stock stands, or at the treasury or sub-treasury at which the interest thereon is payable, with the following endorsement —

“Received in lieu of this stock certificate, bearer bonds/promissory notes of Rs ——— each (together with a new stock certificate for the balance amounting to Rs ———) with interest payable at ——— Treasury ”

*Signature of the registered  
holder or his duly authorised  
representative*

NOTE —The conversion of stock certificates or promissory notes into bearer bonds will not be effected when the powers of the holders of such securities or of their executors or administrators happen to be limited in any way or when they pertain to loans other than  $3\frac{1}{2}$  per cent 1854-55 and 5 per cent 1945-55

**15. Conversion of bearer bonds into stock certificates or promissory notes.**—A holder of bearer bonds, wishing to convert them into stock certificates or promissory notes, should surrender them to the Public Debt Office of domicile or to the treasury or sub-treasury at which the

**Paras. 15-17]      CONVERSION OF GOVERNMENT SECURITIES  
FROM ONE FORM TO ANOTHER**

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bonds are registered for payment of interest    No endorsement is required to be made on the bonds    No bearer bond will be accepted for conversion unless all the outstanding coupons are attached thereto

**16. Conversion of promissory notes into stock certificates or bearer bonds.**—(a) A holder of promissory notes, desiring to convert his holding into stock certificates, should tender them at any Public Debt Office, or at the treasury or sub-treasury on which the notes are enfaced for payment of interest    Each promissory note so tendered should be endorsed “ Pay to the Governor General of India in Council ”

The holder will receive in exchange for the consolidated amount of such notes a stock certificate of the loan to which the notes appertain    If the notes belong to one or more of the non-terminable  $3\frac{1}{2}$  per cent loans, the holder may, subject to the general conditions governing transfer between these loans, obtain a stock certificate of any other non-terminable  $3\frac{1}{2}$  per cent loan into which transfer is admissible and into which he may desire to transfer his holding

(b) A holder of promissory notes, wishing to convert them into bearer bonds, may do so by tendering them at any Public Debt Office, or at the treasury or sub-treasury on which the notes are enfaced for payment of interest, with the following endorsement —

“ Received, in lieu hereof, and of notes Nos ——— of the loan of ——— of the value of Rs ——— a bearer bond (or bonds) of Rs ——— (each) amounting to Rs ——— with interest payable at ——— Treasury ”

*Signature of the holder or his duly  
authorised representative*

NOTE — See also note under paragraph 14

**17. Procedure for dealing with applications for conversion.**—(a) Applications for conversion must in all

CONVERSION OF GOVERNMENT SECURITIES [Paras. 17-18  
FROM ONE FORM TO ANOTHER

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cases state the particulars (*i e*, No, loan and amount) of the stock certificate, bearer bond or promissory note, tendered for conversion. The application should also state similar particulars as to the stock certificate, bearer bond or promissory note, required in exchange.

(b) Forms of application for conversion (Form 1) should be kept in stock at all treasuries and should be distributed free of charge to applicants when required. But an application not in the prescribed form should not be rejected, provided the necessary particulars have been correctly entered.

(c) On receipt, the application should be carefully checked in respect of all the details entered therein, with special reference to the particulars referring to the stock certificate, bearer bond or promissory note (as the case may be) tendered for conversion.

18. (a) In the case of stock certificates and promissory notes tendered for conversion, the Treasury Officer should satisfy himself that the endorsements required under paragraphs 14 and 16 have been made and are in order.

(b) In the case of promissory notes tendered for conversion, the Treasury Officer should further satisfy himself—

- (1) that the chain of endorsements on the notes is in order,
- (2) that the due registration of all documents in support of title to the notes is certified on the reverse as prescribed in paragraph 57 (7), Chapter V,
- (3) that the person presenting the promissory notes for conversion is the person whom he represents himself to be, and
- (4) that the notes have no stoppage recorded against them. Should it be found that there is notice



**Paras. 18-20]**      **CONVERSION OF GOVERNMENT SECURITIES  
FROM ONE FORM TO ANOTHER**

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of stop against any note, the Treasury Officer should follow the procedure indicated in paragraph 44 (2)

(c) In all cases a receipt should be granted by the Treasury Officer in Form 1 in acknowledgment of the receipt of the securities tendered for conversion. A register should also be maintained at the treasury in Form 2, to watch the disposal of all such securities received for conversion

(d) When stock certificates and promissory notes are tendered for conversion at the sub-treasury at which the interest thereon is payable, the Sub-Treasury Officer should forward them to the Treasury Officer uncut and insured as of the value of Rs 100 for necessary action

19. (a) When promissory notes are tendered for conversion into bearer bonds or stock certificates of the same loan, all accrued interest should be drawn before the application for conversion is admitted

In the case of bearer bonds, tendered for conversion into stock certificates or promissory notes all unpaid coupons which are due must be paid before the application for conversion is admitted

(b) When the conversion, however, is into a different loan, the adjustments mentioned in paragraph 23 will be necessary and the Public Debt Office effecting the conversion will forward the warrant for the interest thus due along with the new securities in the manner prescribed in paragraph 21 (2)

20. (a) When an application has been checked and is found to be in order, and all accrued interest and unpaid coupons, which are due, have been paid, the Treasury Officer will forward the application, together with the stock

CONVERSION OF GOVERNMENT SECURITIES [Paras. 20-22]  
FROM ONE FORM TO ANOTHER

certificates, bearer bonds with the unpaid coupons, or promissory notes, to the Public Debt Office concerned

(b) Promissory notes, bearer bonds and coupons should be despatched uncut and insured as of the value of Rs 100

21. If the Public Debt Office find everything in order, it will forward to the Treasury Officer for delivery to the applicant —

- (1) The stock certificates, bearer bonds, or promissory notes applied for, and
- (2) An interest warrant for the amount of interest if due on the conversion, in accordance with column 3 of the tables in paragraph 23

The Treasury Officer will deliver the former to the applicant on his returning, duly signed, the receipt referred to in paragraph 18 (c). An acknowledgment of the receipt of the new securities should be taken. The interest warrant should be disposed of in the manner explained in paragraphs 30 and 31

22. Fees for conversion.—The Public Debt Offices charge certain fees for the conversion of a security from one form into another, and/or from one loan into another, except in the case of conversion into stock certificates. These fees are 4 annas per cent in the case of each converted security not exceeding Rs 400 and 1 rupee one per security in the case of each converted security exceeding Rs 400, and are payable at the time of application for conversion. The Treasury Officer will record the fact of receipt of these fees on the back of the stock certificate, bearer bond or promissory note presented for conversion, and the amount should be credited into the cash account in the same way as renewal fees on promissory notes [*vide* paragraph 69 (b)], the coupons attached to Form 1 being filled in and despatched to the Public Debt Office

## Para. 23]

CONVERSION OF GOVERNMENT SECURITIES  
FROM ONE FORM TO ANOTHER

**23. Adjustment of interest in certain cases of conversion.**—Adjustments of interest are necessary in the following cases and should be made as shown in column 3 of the following tables —

(a) If the application is for stock certificates/promissory notes of the loan of 1865—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half year only up to	and the new security will bear interest from
1842-43	{ 31st January	31st October	1st November
	{ 31st July	30th April	1st May
1854 55	{ 29th June	30th April	1st May
	{ 30th December	31st October	1st November
1879	{ 15th January	31st October	1st November
	{ 15th July	30th April	1st May,
1900 01	{ 29th June	30th April	1st May
	{ 30th December	31st October	1st November

(b) If the application is for stock certificates/promissory notes of the loan of 1842-43—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half year only up to	and the new security will bear interest from
1854 55	{ 29th June	31st January	1st February
	{ 30th December	31st July	1st August
1865	{ 30th April	31st January	1st February
	{ 31st October	31st July	1st August
1879	{ 15th January	31st July	1st August,
	{ 15th July	31st January	1st February
1900 01	{ 29th June	31st January	1st February
	{ 30th December	31st July	1st August

CONVERSION OF GOVERNMENT SECURITIES  
FROM ONE FORM TO ANOTHER

[Para. 23]

(c) If the application is for stock certificates/promissory notes of the loans of 1854-55 and 1900-01—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1842 43 . {	31st January . 31st July .	30th December 29th June	31st December 30th June
1865 . {	30th April 31st October	30th December 29th June	31st December 30th June
1879 . {	15th January . 15th July .	30th December 29th June	31st December 30th June

(d) If the application is for stock certificates/promissory notes of the loan of 1879—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1842-43 . {	31st January . 31st July .	15th January 15th July	16th January 16th July
1851 55 . {	29th June 30th December	15th January 15th July	16th January 16th July
1865 . {	30th April 31st October	15th January 15th July	16th January 16th July
1900 01 . {	29th June 30th December	15th January . 15th July	16th January 16th July

(e) If the application is for bearer bonds of the loan of 1854-55—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half year only up to	and the coupons on the bond will bear interest from
1842 43 . {	31st January . 31st July .	30th December 29th June	31st December 30th June
1865 . {	30th April . 31st October .	30th December 29th June	31st December 30th June
1879 . {	15th January . 15th July .	30th December 29th June	31st December 30th June

## CHAPTER III

## TRANSFER BETWEEN LOANS

24. Bearer bonds of a loan can be converted into stock certificates or promissory notes of the same loan only. The procedure for such conversion has already been explained in paragraphs 13 and 15.

25. **Transfer between the non-terminable  $3\frac{1}{2}$  per cent. loans.**—Promissory notes and stock certificates of any of the non-terminable  $3\frac{1}{2}$  per cent loans can be transferred to those of any other of such loans.

The conditions on which such transfer is permitted are that—

- (1) subject to the exceptions noted below a full half-year's interest is due on the stock certificate or the promissory note at the time it is presented for transfer.

*Exceptions* —Transfers are permitted in the following cases independently of the above condition as shown below —

FROM THE LOAN OF	TO THE LOAN OF			
	1842 43	1854 55 and 1900 01	1865	1879
1842 43		In the months of July and January	In the months of January, May, June, July, November and December	
1854 55	In all months of the year except January and July	To the loan of 1900 01 at any time	In the months of May, June, No- vember and De- cember	At any time except from 31st Decem- ber to 15th Janu- ary and from 30th June to 15th July
1865	In the months of February, March, April, August, September and October	In all months of the year except May, June, No- vember and De- cember		In the second fort- night of January and July and in the months of February, March, April, August, September and October

## TRANSFER BETWEEN LOANS [Paras. 25-26]

FROM THE LOAN OF	TO THE LOAN OF			
	1842-43	1854-55 and 1900-01	1865	1879
1879 .			In the months of May, June, No- vember and De- cember	
1900-01 . . .	In all months of the year except January and July	To the loan of 1854-55 at any time	In the months of May, June, No- vember and De- cember	At any time except from 31st Decem- ber to 15th Janu- ary and from 30th June to 15th July

- (2) The new stock certificate or promissory note will be issued bearing interest from the commencement of the current half-year of the loan to which it appertains
- (3) Interest up to that date will be paid on the old stock certificate or promissory note
- (4) Fees on the scale prescribed in paragraph 69 in the case of renewals will be charged on each new promissory note issued, but no fee will be levied on any stock certificate issued

**26. Transfer from the 3 per cent. loan of 1896-97 to 3½ per cent. loan of 1900-01.**—Stock certificates and promissory notes of the 3 per cent loan of 1896-97 can be exchanged for stock certificates and promissory notes of 3½ per cent loan of 1900-01, on the following terms —

- (1) If the face value of the 3 per cent securities tendered for conversion is an exact multiple of Rs 700, the tenderer will receive, in exchange, 3½ per cent notes for six-sevenths of such face value
- (2) If the face value of the 3 per cent securities tendered for conversion does not form an exact multiple of Rs 700, the tenderer has the option of receiving—
  - (a) Three-and-a-half per cent securities equivalent to the nearest lower multiple of Rs 700

calculated as in clause (1), together with the difference in 3 per cent securities, or

- (b) Three-and-a-half per cent securities of the nearest higher equivalent face value in hundreds calculated as in clause (1), on payment in cash of the difference between (i) the six-sevenths of the face value of the three per cent securities tendered, and (ii) the face value of the  $3\frac{1}{2}$  per cent securities received in exchange
- (3) Interest on all 3 per cent securities tendered for conversion, which has accrued up to the end of the preceding half-year, and has not been already drawn, will be paid in cash at the time of conversion, and the new  $3\frac{1}{2}$  or 3 per cent securities will bear interest from the beginning of the half-year current at the time of conversion
- (4) Securities may be tendered for conversion at any Public Debt Office or at the treasury or sub-treasury at which interest thereon is for the time being payable. Securities so tendered must bear one of the following endorsements duly signed as the case may be —
  - (a) “Received in lieu of this stock certificate/promissory note,  $3\frac{1}{2}$  per cent stock certificate/promissory note for Rs ——— and 3 per cent stock certificate/promissory note for Rs ———”, or
  - (b) “Received in lieu of this stock certificate/promissory note and of a cash payment of Rs ———  $3\frac{1}{2}$  per cent stock certificate/promissory note for Rs ———”.

## CHAPTER IV

## PAYMENT OF INTEREST

*Income-tax on interest on Government securities*

27. Under section 8 of the Indian Income-tax Act (XI of 1922) income-tax is payable on the interest on all Government securities except those issued or declared to be income-tax free. Under section 18 (3) *ibid*, the officer paying the interest on any such security is required to deduct income-tax on the amount of interest payable at the maximum rate fixed from time to time by the Indian Finance Act. If, however, the total income of the person receiving the interest on securities is less than the minimum taxable income or is less than the income to which the maximum rate applies, or if the income is altogether exempt from the tax under the provisions of section 4 (3) of the Act, or has been exempted from the tax under the provisions of section 60, the person or the institution concerned is entitled, under section 48 (3), to claim a refund.

In order to simplify the procedure in connection with refunds, the person deducting income-tax from the interest on securities is required, under section 18 (9) of the Income-tax Act, to furnish to the person to whom the interest is paid a certificate in Form No. 29 or 30, as the case may be. This certificate will be accepted by the income-tax authorities as conclusive evidence of the payment of the tax, both where a refund is claimed in cash and where a set-off is claimed against the tax assessed on other income.

In order to reduce the number of claims for refunds, income-tax authorities issue, on application, certificates in the following form to persons receiving interest on securities whose total income is less than the minimum taxable income or is less than the income to which the maximum



## Para. 27]

## PAYMENT OF INTEREST

rate applies, authorising the person paying the interest to make no deduction of tax or to deduct tax at a lower rate than the maximum —

“ Income-tax Office,

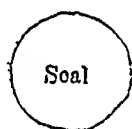
Dated

193 .

To

I hereby authorise (name and address of person paying the interest) to deduct income-tax at the rate of (rate of income-tax sanctioned) piers in the rupee when paying the interest on the following securities to their present holder (name of person receiving interest) This authorisation will remain in force until cancelled by me

*Description of Securities*



*Income-tax Officer "*

The officer paying interest on securities should act on such certificates, make the deductions of tax indicated and show the rate and the amount of the tax in the relevant vouchers

The certificates remain in force until they are cancelled and withdrawn and are operative only in regard to the securities described therein for such time as they stand in the name of the persons mentioned in them Exemptions from, or abatement of tax cannot be allowed if the security in respect of which a certificate has been issued is transferred to a person other than the holder in whose favour the certificate was issued, or if the security is changed from one form to another, or is renewed, or if any advice of cancellation or modification of the certificate has been received from the Income-Tax Officer If, however, the holder of a certificate endorses the securities, in respect of which the

certificate was issued, to his bank for collection of interest, the person responsible for paying the interest will act on such certificate when presented along with the securities, if, together with the exemption or the abatement certificate, a declaration by the bank to the effect that the securities continue to be the property of the person named in such certificate, is furnished. An exemption or abatement certificate granted by an Income-tax Officer in favour of a person in respect of securities purchased by a bank in its own name but on behalf of such person will also be accepted and acted upon by officers paying interest on securities provided that the bank furnishes a declaration at the time to the effect that the securities, though standing in its name, were purchased by it on behalf of the constituent named in the certificate and continue to be his property.

In the case of bearer bonds, a fresh certificate is required to cover each payment of interest.

**28.** Persons claiming exemption from, or abatement of income-tax on the interest on Government securities will be required to produce the certificate issued by the income-tax authorities along with the securities when they are presented for drawal of interest. The person responsible for paying the interest must satisfy himself that the certificate is still operative. If any advice of modification or cancellation of an exemption or abatement certificate is received from an Income-tax Officer, the Public Debt Office or the Treasury Officer concerned shall act on it. Exemption or abatement certificates pertaining to securities issued in the form of stock will be registered in the books of the Public Debt Office when the certificates are first presented.

On receipt of an advice of cancellation of an exemption or abatement certificate in respect of a promissory note enfaced at his treasury, the Treasury Officer will register it in column 10 of the register in Form 9 with the words

## Paras. 28-29] PAYMENT OF INTEREST

“ Exemption/ Abatement certificate cancelled, *vide* Income-tax Officer’s advice No                      ” If the advice relates to a promissory note enfaced at a sub-treasury, the Treasury Officer will immediately communicate the fact to the Sub-Treasury Officer concerned for registration in a separate column in form 15. If the promissory note mentioned in the advice is not enfaced at the treasury or a sub-treasury subordinate to it, the Treasury Officer should inform the Income-tax Officer immediately and ask him to ascertain the correct place of enfacement of the note from the Public Debt Office. If a cancelled exemption or abatement certificate is produced at the treasury or sub-treasury, the fact should at once be reported to the Income-tax Officer concerned. These advices should be numbered serially in the order in which they are received and filed in the treasury. They should be taken out of the file when they cease to be operative.

29. The following special procedure has been laid down in regard to securities belonging to Indian States, the interest on which is not taxable under the law, and to securities held by, or on behalf of, ruling chiefs and princes of Indian States, not as the property of the State but as the property of individuals, the interest on which has been exempted from income-tax under section 60 of the Indian Income-Tax Act.

No exemption certificate is required in the case of Government promissory notes in the special form [*vide* paragraph 60 (2)]. In other cases, the exemption certificate will be issued in duplicate in the case of securities in the form of stock certificates or promissory notes and in triplicate in the case of securities in the form of bearer bonds. The original will be given to the State or the ruler concerned, the duplicate will be sent direct by the income-tax authorities to the officer responsible for payment of interest, and the triplicate to the Public Debt Office within

whose jurisdiction the treasury at which the bearer bond is registered for payment of the coupons, is situated

On receipt of an exemption certificate from the income-tax authorities, the Treasury Officer will register it,

- (i) in the case of promissory notes, in column 10 of the register in form 9 against the relevant securities, and,
- (ii) in the case of bearer bonds, in column 7 of the register in form 5 in the relevant payment cages

If the exemption certificate relates to a security enfaced at a sub-treasury, the Treasury Officer will immediately communicate the fact to the Sub-Treasury Office concerned for registration. The Sub-Treasury Officer will make the necessary entry in the advice of enfacement in form 4 or 15, as the case may be, under his initials, quoting the number of the Treasury Officer's forwarding letter as authority.

An exemption certificate in respect of a bearer bond as also the relevant entry in form 5 or form 4 relating thereto should be cancelled as soon as the interest coupon in respect of which the certificate was granted has been paid or when an advice of payment thereof has been received from the Public Debt Office in terms of paragraph 36.

Similar action should also be taken in regard to exemption certificates pertaining to securities in other forms when they cease to be operative.

The exemption certificates should be numbered serially in the order in which they are received and filed in the treasury. They should be taken out of the file when they cease to be operative.

#### (A) *Stock Certificates*

**30. Method and place of payment.**—Interest on stock certificates is paid on warrants, issued by the Public Debt

Office on whose books the stock certificate is registered, for the time being and payable at the local office of the Reserve Bank of India. Stock may be transferred from the books of one Public Debt Office to those of another on surrender of the certificate at the Public Debt Office to whose books it is desired to be transferred. If so desired by the proprietor of the stock, the interest warrants will be made payable at any other Indian office of the Reserve Bank of India or at any Indian branch of the Imperial Bank of India conducting Government treasury business and acting for the time being as the agent of the Reserve Bank of India, or at any treasury or sub-treasury in British India where there is no such office or branch, or, in a State in India, at the Head Post Office, if there is no British Indian treasury, or, if there is no Head Post Office, at any Post Office designated by the Central Government by order in writing in this behalf. In such cases the proprietor should intimate, in a written application to the Public Debt Office, the place at which he desires his interest warrants to be made payable, and such a request will continue to be acted upon, at each half-year, until it is revoked or altered. Stock certificates may be held by two or more persons jointly (but not severally), and any one or more of the joint-holders can receive interest thereon under a joint-holders' power of attorney which is free from stamp duty. The presentation of the stock certificate is not required at the time of either the issue of the interest warrants or their encashment. Unless the stock relates to a loan the interest on which is not liable to income-tax or unless an income-tax exemption certificate has been produced before, and registered in the books of the Public Debt Office, these warrants are issued for the net amount payable after deduction of income-tax in terms of paragraph 27 above. In such circumstances, however, the Public Debt Office encloses an income-tax deduction certificate with each interest warrant in order that the

holder may obtain a refund of the tax, if admissible, in accordance with the procedure mentioned in the paragraph cited above

Ordinarily, interest warrants will be sent direct to the place at which they are made payable, but if payable at a sub-treasury they will be sent to the treasury to which such sub-treasury is subordinate. If, however, the proprietor so prefers, his warrants will be sent by post to himself, or to his bank or agent, at any address desired, on his intimating in time the necessary particulars to the Public Debt Office concerned

NOTE —The Central Government have directed that warrants for the payment of interest on stock certificates may be made payable at the following Post Offices situated in Indian States, namely, Gangtok, Gwalior Railway Station and Pudukotah-Trichinopoly

For the conditions governing transfer and retransfer of securities to and from Burma see note under paragraph 2

• **31. Procedure at Treasuries.**—In either case, *viz.*, whether the warrant has been sent direct to the place of its payment or is presented for payment by the proprietor or his agent, payment will be made in the usual way, and with the same precautions, as on any duly authorised pay order or cheque, *i.e.*, the officer making the payment will be responsible for seeing that payment is made to the proper person. If the payment is made at an office of the Reserve Bank of India or at a branch of the Imperial Bank of India, the paying officer will be further responsible for seeing that the amount is debited to the Government account and that the paid warrant in support of the debit is forwarded to the accounts office or the treasury, as the case may be, with his daily-sheet

When a Treasury Officer or an officer in charge of an office of the Reserve Bank of India or a branch of the Imperial Bank of India receives a warrant direct from the

Public Debt Office, he will adopt the following procedure —

- (a) He will enter the details of the warrant in the Register of Interest Warrants (Form 3)
- (b) He should then advise the payee of the arrival of his interest warrant, but if the warrant is payable at a sub-treasury subordinate to his treasury, the Treasury Officer should send it to the Sub-Treasury Officer asking him to issue a similar advice to the payee direct
- (c) As soon as a warrant is paid, the fact should be noted in the relevant column of the Register in Form 3. If seven months elapse without the payee having taken payment, a reminder should be issued to him saying that he has not cashed his warrant, and that, if he does not do so within three weeks, the warrant will be returned to the Public Debt Office. Should this reminder have no effect the warrant, together with the next following one which must have been received by this time, should be returned to the Public Debt Office concerned, the fact being noted in the relevant column of the Register referred to above. The Public Debt Office will retain them for one year and, if they are not paid during this period, destroy them and issue fresh ones when subsequently claimed

NOTE — Stock interest warrants will be current for eight months only from the dates of their issue. Any warrant which is not cashed within this period will require to be revalidated by the Public Debt Office before it can be cashed

Whenever the Public Debt Office issues a stock interest warrant, it sends an advice of the fact to the officer by whom it will be payable. In the case of warrant payable at a sub-treasury, the advice is, however, sent to the

Treasury Officer and the Treasury Officer should at once send intimation of the advice to the Sub-Treasury Officer

NOTE —The rule in paragraph 41, note (vi), applies to the payment of interest on Stock Certificates as well as to the payment of interest on promissory notes

### (B) *Bearer Bonds*

**32. Method and place of payment.**—Bearer bonds have attached to them a number of interest coupons which are detachable. Each coupon relates to the interest for one half-year, and bears on its face the date on which it is payable. Interest for each half-year is payable, without presentation of the bond itself, to any person who presents the relevant coupon at the Public Debt Office or at the treasury at which the bond is for the time being registered for payment of the coupons

**33. (a) Change of place of payment.**—Each bond is regarded as domiciled at one of the Public Debt Offices, and, in the absence of any other arrangement, the coupons relating to that bond are payable at that Public Debt Office only. Any holder can, however, by applying to the Public Debt Office of domicile (either direct or through the Treasury Officer concerned) arrange for his bond to be registered for payment of the coupons at any treasury within the sphere of the Public Debt Office concerned, and the latter will instruct the Treasury Officer accordingly. Should the holder subsequently desire the coupons to be made payable at a different treasury, within the sphere of the same Public Debt Office, transfer of registration will be permitted on application being made therefor to the Public Debt Office (either direct or through the Treasury Officer)

(b) The domicile of a bond may be transferred from one Public Debt Office to another, on application (which may be made direct or through the Treasury Officer concerned) to the Public Debt Office to which it is desired



**Paras. 33-34] PAYMENT OF INTEREST**

to transfer it. Thereafter, the coupons, will be payable at the latter Public Debt Office, or, at the holder's option, at any treasury within its jurisdiction which he may select

(c) Notwithstanding any arrangement made under the preceding paragraphs, payment of coupons on the due date will never be refused at the Public Debt Office of domicile, even though the bond to which they belong may be registered for payment of coupons at a treasury

**34. Procedure at treasuries.**—The following particulars are printed on each coupon —

- (a) The loan to which the bond relates
- (b) The amount of interest due on the coupon,
- (c) The number of the half-yearly dividend
- (d) The amount of the bond
- (e) The date on which the coupon is due for payment,
- (f) The number of the bond to which the coupon relates

The above particulars are sufficient to identify completely the bond to which the coupon appertains, and the production of the bond itself is therefore not required. Before paying a coupon, the Treasury Officer has to satisfy himself on three points only —

- (i) That the bond to which the coupon belongs is registered for payment of coupons at his treasury,
- (ii) That the date, as printed on the coupon, on which the latter is due for payment, has arrived, and
- (iii) That the bond is not shown as stopped

The Treasury Officer should remember that coupons are payable to bearer, it is no concern of his to see or to enquire who is the holder of the bond or who is the person presenting the coupon for payment, and it is unnecessary, therefore, to take any receipt from the payee. When a coupon is paid, the particulars mentioned in paragraph 36 should

be entered in the registers referred to therein, the coupon should then be stamped " Paid ", and should be forwarded in the usual way to the accounts office, as in the case of other vouchers, with the list of payments. In paying the coupons the instructions contained in paragraph 27 should, however, be borne in mind.

**35. Payment at sub-treasuries.**—When a bond has been registered for payment of interest at a treasury, the coupons relating to that bond may, on application being made to the Treasury Officer, be made payable at any sub-treasury subordinate to such treasury. The Treasury Officer will issue an order in Form 4 to the Sub-Treasury Officer, giving the particulars of the bond. On presentation of a coupon, the Sub-Treasury Officer should satisfy himself, by reference to the particulars printed on it, that the bond to which it belongs is one regarding which he has received instructions to pay coupons, and that the coupon is due for payment. Having paid the coupon, he should stamp it " Paid " and forward it as a voucher to the Treasury Officer with his daily sheet. The Treasury Officer will then enter the particulars in the register prescribed in the following paragraph, treating the coupon as if it had been paid at the treasury itself.

**36. Register of bonds of which the coupons are payable at a treasury.**—For the purpose of recording the registration of bonds at a treasury the Treasury Officer will maintain a register in Form 5 a separate section being set apart for each loan. On receipt of advice from the Public Debt Office of the registration of a bond or bonds for payment of coupons at his treasury, the Treasury Officer should at once make the necessary entries in columns 2, 3, 4 and 5 of the register, a serial number being also added in column 1 for each bond. Whenever coupons are paid, the Treasury Officer should make the necessary entry in the relevant column under " Particulars of coupons paid ", stating

the half-year or half-years and the number or numbers of the dividend shown in the coupons and the date of payment of coupons. The fact of payment should also be recorded in the register maintained in Form 6 from which register a schedule should be copied to accompany the list of payments and the coupons for submission to the accounts office. When coupons relating to a bond registered at a treasury are paid at the Public Debt Office of domicile [*vide* paragraph 33 (c) above], the Public Debt Office will send immediate advice of such payment to the Treasury Officer concerned, and on receipt of such advice the Treasury Officer should at once note the fact in the register of bonds in the proper sub-column under column 7, and initial the entry.

On receipt of advice of cancellation of a bond registered for local payment of coupons, the necessary particulars should be entered in column 8 of Form 5 and the entry cancelled.

### (C) *Promissory Notes*

**37. Place of payment.**—According to the wording of the promissory notes, the Central Government are legally liable to pay interest on them only at “The General Treasury at Fort William”, *i.e.*, at the Office of the Reserve Bank of India at Calcutta. Interest can, however, be made payable (a) at the Office of the Reserve Bank of India at a place where a Public Debt Office is situated, or (b) at any treasury or sub-treasury. In such cases, enfacements are made lengthwise across the face of the note to the effect that interest is payable at the place named, and, when such an enfacement has been made, the holder can obtain payment of interest at that place, upon presentation of the note. Arrangements are made in accordance with paragraph 43 to transfer the payment of interest on a promissory note between a district treasury and sub-treasuries subordinate thereto.

**38. Enfacement of notes for payment of interest.—**

(a) Except in the case of loans which have not been decentralised (see paragraph 124) a Public Debt Office will enface notes for payment of interest at any treasury or sub-treasury under its jurisdiction only and will re-enface notes for payment of interest at itself

(b) Notes enfaced for payment of interest at any treasury or sub-treasury may be re-enfaced by the Treasury Officer for payment of interest at the Public Debt Office in whose jurisdiction the treasury is situated (see paragraphs 2 and 124)

(c) Notes may be transferred from one Public Debt Office to another if they are tendered at the Public Debt Office to which it is desired to transfer them

(d) In case of doubt, a reference should be made to the Public Debt Office, Calcutta. The promissory note in question should be sent along with the reference *uncut* and insured as of the value of Rs 100

(e) Before enfacing or re-enfacing a promissory note which has been received at a Public Debt Office for the purpose the Public Debt Office examines the chain of endorsements on the note and re-enfacing it only if the endorsements are found in order and the note is not shown as stopped. If any of the endorsements is found to be defective, the Public Debt Office refuses to enface the note unless the defect is rectified or the note is receipted for renewal

**39. Treasury procedure for recording enfacements and for making re-enfacements.—**

(a) For the purpose of recording enfacements the Treasury Officer will maintain a register in Form 9, a separate section being set apart for each loan. On receiving advice from the Public Debt Office of the enfacement of a note for the payment of interest at his treasury or a sub-treasury subordinate thereto, the Treasury Officer will make the requisite entry in columns 2, 3, 4, 5 and 6 of this register. A serial number

## Para. 39]

## PAYMENT OF INTEREST

should be given to each note in column 1 of the register, and for facility of future reference this serial number should be noted on the note itself when presented for payment of interest at the treasury. If the note is enfaced for payment of interest at a sub-treasury, the Treasury Officer will follow the procedure prescribed in paragraph 43 (c)

(b) If the interest on any note entered in this register remains undrawn for 10 years or more, the note should be struck off the register, the reason for doing so being recorded in column 11 of the register

(c) Before making a re-enfacement under clause (b) of paragraph 38, the Treasury Officer should see—

- (i) that the note is enfaced for payment of interest at his treasury or a sub-treasury subordinate thereto and is borne on his register, if, however, the note bears an enfacement on his treasury or a sub-treasury subordinate thereto, but no advice of the enfacement has been received by him, he should refer the matter to the Public Debt Office and make the re-enfacement only after receipt of instructions
- (ii) that the application is made by or on behalf of the holder,
- (iii) that there are vacant spaces on the back of the note for endorsements and for noting interest payments,
- (iv) that there is space on the face of the note for recording the new enfacement, if the note already bears more than two enfacements the holder should be told that he must get it renewed, and
- (v) that the note is not shown as stopped

(d) If satisfied on the above points, the Treasury Officer will write the words " Enfacement cancelled " with his

signature and official designation across the existing enfacement on the note and under it fill up the new enfacement authenticating it with his signature and making the interest payable at the Public Debt Office in whose sphere his treasury is situated. He should send immediately, by registered post, an advice of the re-enfacement in form 10 to the Public Debt Office, in question.

NOTE.—In the case of the loans which have not been decentralised (see paragraph 124) an additional advice of re-enfacement should be sent to the Public Debt Office, Calcutta.

(e) On receipt of advice from the Public Debt Office of cancellation of an enfacement, or after himself making a re-enfacement as in clause (d) above, the Treasury Officer will at once note the fact in column 9 of the register mentioned above and will not thereafter pay interest on such note. If an exemption certificate has been registered at the treasury in respect of the promissory note (*vide* paragraph 29) the Treasury Officer will immediately forward the certificate or a certified extract thereof, to the treasury or to the Public Debt Office at which the promissory note has been re-enfaced.

(f) In cases where, under paragraph 38, the Treasury Officer is not authorised to make an enfacement the application should be made to the Public Debt Office either direct or through the treasury at which the interest is payable or through the treasury at which payment of interest is desired. The promissory note or notes should be sent by the Treasury Officer along with the application *uncut* and insured as of the value of Rs 100.

**40. Payment of interest at treasuries: Treasury Officer's responsibilities.**—Government is responsible for the payment of interest to the actual owner of a note. As the ownership of a note is transferable merely by endorsement and delivery, it is of great importance that, before

paying interest, Treasury Officers should scrutinise endorsements carefully, in order to satisfy themselves that the person by whom or on whose behalf, payment of interest is claimed, is the lawful owner of the note. It is not merely the last endorsement which needs scrutiny, the note may have changed ownership several times, and although the last endorsement may itself be in proper form, and the last endorsee's title good as against that of the next preceding owner, the latter's title may itself be defective, by reason of some legal defect in an earlier endorsement. Treasury Officers should therefore be careful to satisfy themselves, as laid down in clauses (2) and (3) of paragraph 41, that all the endorsements are in order, and they, as well as all other Government officers who have to handle Government securities in their official capacities should familiarise themselves with the main facts, regarding the legality of various kinds of endorsements, set forth in Chapter V. If, however, in the chain of endorsements there is an endorsement in favour of the Reserve Bank of India, the Controller of the Currency, or an Accounts Officer, Posts and Telegraphs, and the subsequent endorsement purports to be that of the previous endorsee, the endorsements up to that stage may be accepted as correct without further scrutiny. In all doubtful cases, or in cases which do not appear to be fully covered by these instructions Treasury Officers should refuse to pay interest, and should refer the case to the Public Debt Office, enclosing the note or notes which should be sent *uncut* and *insured* for Rs 100.

**41. Conditions to be fulfilled before interest can be paid at a Treasury.**—Payment of interest on promissory notes at a treasury is subject to the following conditions —

- (1) That the note has been duly enfaced for payment of interest at that treasury and that the relative enfacement advice has been properly recorded in its registers

- (2) That the person to whose receipt, or to whose agent's receipt, payment is asked for, is either the person in whose name the note was originally issued, or one who derives his title from the said person by a chain of endorsements,
- (a) each of which is in one or other of the forms enumerated in paragraph 47,
- (b) each of which is signed by the person or persons mentioned in paragraphs 49 to 52 inclusive as being qualified legally to transfer the note
- (3) That, if the person claiming payment of interest is not the last endorsee, but claims as heir, executor, administrator of the estate, guardian, or attorney, of the last endorsee, the necessary documents in support of such claim, as set forth in paragraphs 54 to 56, have been produced and registered in the manner described in paragraph 57

NOTE —In the case of a claim for payment of interest on the authority of a certificate obtained from a District Magistrate in terms of paragraph 66, payment should *not* be made until the note has been renewed by the Public Debt Office

- (4) That all endorsements are clear and distinct that there is no intermediate blank endorsement, that at least one endorsement cage, as well as the renewal cage, has been left blank, that no word or words are written upon the note across any existing endorsement, and that there are no cross-endorsements
- (5) That the note itself is not mutilated or torn, or in any way damaged or defective (Division into an upper and lower half is not reckoned as mutilation if the two halves are firmly re-joined)



## Para. 411

## PAYMENT OF INTEREST

- (6) That interest has not been left undrawn for ten years or more
- (7) That the note has no stoppage recorded against it
- (8) That the interest cages on the reverse of the note have not been completely filled and that the vacant printed cages on the reverse of the note correspond with the half years for which interest has become due on the date when the note is presented for drawal of interest

NOTE —(i) If condition (1) is not fulfilled, the Treasury Officer should inform the person presenting the note how to get it enfaced for payment of interest at that treasury. If, however, it is found that the note bears an enfacement on the treasury but the relative enfacement advice has not actually been received at the treasury, the Treasury Officer should at once call for it from the Public Debt Office which made the enfacement

(ii) If any one of conditions (2), (4), (5) and (8) is not fulfilled, or, if the Treasury Officer has reason to consider, on other grounds, that the title of the person presenting the note is irregular or not fully proved, he should refuse payment of interest until the note has been renewed by the Public Debt Office

(iii) If condition (3) is not fulfilled, the Treasury Officer should, unless the case falls under note (vi) below, inform the presenter what documents are necessary for the admission of his claim to receive interest. If the Treasury Officer has any doubts in the matter he should refer it to the Public Debt Office, enclosing the promissory note or notes which should be sent *uncut* and insured as of the value of Rs 100

(iv) If condition (6) is not fulfilled, the Treasury Officer should forward the note *uncut* and insured as of the value of Rs 100 to the Public Debt Office with a statement of facts and any explanation that the claimant for interest may wish to give. A note appertaining to a loan which is not due for discharge should be receipted for renewal before despatch to the Public Debt Office

(v) If condition (7) is not fulfilled, the Treasury Officer should inform the presenter that interest cannot be paid as a stop has been recorded against the note and should then dispose of the security in the manner prescribed in paragraph 44 (2)

(vi) When notes stand in the name of a minor or a lunatic who is incapable of managing his affairs, the following relaxations of condition (3) are permitted —

- (1) When the nominal value of the notes standing in the name of the minor or the lunatic does not in the aggregate exceed Rs 5,000 and when the person who wishes to draw interest is the father, or if the father be dead, the mother of the minor or the lunatic, interest may be paid without question, so long as the officer paying the interest is satisfied as to the identity of the father or the mother. In the case of payment at a place other than that at which such minor or lunatic and his father or mother ordinarily reside, a certificate of identity signed by any magistrate may be accepted.
- (2) When the applicant for interest is neither the father nor the mother and when the face value of the notes standing in the name of the minor or the lunatic does not in the aggregate exceed Rs 5,000, a certificate by the District Magistrate of the district in which the interest on the securities is payable, to the effect that the applicant is the actual guardian of the minor or the lunatic should be accepted. In the case of a minor the certificates should state the date on which the minor will attain majority.
- (3) Where the value of the notes exceeds Rs 5,000 no relaxation of the ordinary rule is permissible [*vide* paragraph 54 (3) and the note thereunder]. In such a case, a formal declaration by the guardian certifying that his ward is alive and is still a minor, or, in the case of a lunatic, continues to be insane, as the case may be, should be produced when interest is claimed.
- (4) When payment of interest is made to the guardian of a minor under conditions (1) and (2) above, the Treasury Officer should record in the Register in Form 9, and also on the back of the note, the name of the guardian and the date on which the minor will attain majority. Up to that date interest may be paid to the guardian without proof of the fact that the minor is alive. If, however, notice is independently brought to the Treasury Officer that the child is dead, such notice shall not be

disregarded and the successor shall be required to prove his title. When payment of interest is permitted to the guardian of a lunatic under these conditions, periodical proof that the person is alive and that he continues to be a lunatic will not be required, but if notice is brought to the Treasury Officer that the lunatic (1) is dead, such notice shall not be disregarded and the successor shall be required to prove his title, (11) has recovered his sanity, the case shall be referred to the Public Debt Office for orders enclosing the promissory note or notes which should be sent *uncut* and insured as of the value of Rs 100

**42. Method of payment of interest.**—(a) It is very important that no avoidable delay is allowed to occur in the payment of interest, which should invariably be made on the due dates or as soon thereafter as possible. Consequently, at treasuries where the payments to be made are numerous, holders who can do so without inconvenience should be encouraged to send in their notes a week or so before the interest actually falls due, so that any preliminary examination required may not operate to prevent payment being promptly made. A receipt should be given for notes so presented.

(b) At each treasury will be kept a supply of the prescribed form of receipt of interest (Form IV in Appendix II) which will be given to any person proposing to draw interest. In filling in the receipt the following instructions should be observed :—

- (1) A separate receipt must be given for the notes of each loan, but any number of notes of the same loan may be entered in the same receipt if the interest is payable to the same person.
- (11) The whole of the interest due on a note must always be taken, partial payments are not allowed. When the interest cages on the reverse of a Government promissory note have

been completely filled, or, if the vacant printed cages on the reverse of the note do not correspond with the half-years for which interest has become due on the date when the note is presented for drawal of interest, payment of any interest on the note should be refused and the presenter informed accordingly and asked to receipt the note for renewal. After the note has been receipted for renewal, payment of all interest due up to the half-yearly date immediately preceding the date of presentation of the note may be made and the fact of payment endorsed prominently on the back of the note over the Treasury Officer's initials. If the presenter refuses to receipt the note for renewal, payment of interest for any period should also be refused.

- (iii) Receipts for interest on Government securities are exempt from stamp duty
- (iv) A signature in any Indian vernacular must be transliterated, and a vernacular signature of a woman must be attested by some respectable person as to whose identity the Treasury or the Sub-treasury Officer is satisfied. Signature by a mark or thumb impression of a person unable to write should also be similarly attested.

(c) The personal attendance of the holder is not necessary, it is sufficient for the Treasury Officer to satisfy himself, as in the case of any other payment, that the receipt is a valid quittance, *i e*, has been signed by the person to whom payment is due, or by a duly authorised agent.

(d) The Treasury Officer should record the fact of payment as follows —

- (1) In the interest cage (printed on the back of the note) appertaining to the half-year on account

of which interest is paid he should record the name of the treasury and the date of payment over his initials

(11) In column 8 of the register of enfaced notes referred to in paragraph 39 (Form 9) with his initials

(111) In a register in Form 14, subordinate to the cash book From this register is copied a schedule which, with receipts attached, should accompany the list of payments forwarded bi-monthly to the accounts office

(e) It is particularly desirable that, in the preparation of interest receipts and registers, all details, especially the numbers and amounts of the receipts, the numbers of the half-years, or the periods for which interest is paid should be carefully filled in Experience has shown that inattention to this causes much unnecessary correspondence with the Public Debt Office

**43. Payment of interest at sub-treasuries.**—(a) When a note is enfaced for payment of interest at a treasury and the holder desires interest to be paid at a sub-treasury subordinate thereto, or when a note is enfaced for payment of interest at a sub-treasury and the holder desires interest to be paid at the district treasury or another sub-treasury in the same district, he should make an application to the Treasury Officer to that effect

(b) If the note is enfaced for payment of interest at a sub-treasury, the enfacement will read—

“Interest payable at the \_\_\_\_\_  
sub-treasury of the \_\_\_\_\_ district ”

The Treasury Officer will cancel the name of the sub treasury and the prefix “ sub ” in this enfacement and sign the correction The note will then stand enfaced at the district treasury and can be dealt with in accordance with sub paragraph (c) below

(c) When the holder of a promissory note enfaced for payment of interest at the treasury desires interest to be paid at a sub-treasury, or when an advice of enfacement on a sub-treasury is received from the Public Debt Office in accordance with paragraph 39 (a), the Treasury Officer will issue an order in Form 15 giving the number and other particulars of the note and will make an entry against the note in the register of enfaced notes that payment of interest has been authorised at the sub-treasury

(d) Columns are provided on the back of the above-mentioned form to record the payments of interest for the various half-years and all the forms will be retained in a special file in the sub-treasury. On the presentation of a note at the sub-treasury with the usual receipt for interest payment, the officer in charge will see that the note stands in the name of and has not been endorsed to any other person by the holder named by the Treasury Officer and will agree the number and the other particulars of the note with the advice from the Treasury Officer. Having satisfied himself on these points, the Sub-treasury Officer will pay the interest due, will record the payment in the proper cage in the promissory note and will forward the payment voucher to the Treasury Officer with his daily sheet

(e) On receipt of the voucher in the treasury it will be examined to see that it is in order and that the details of the note correspond with those entered in the register of enfaced notes and the payment will then be recorded in the register of promissory notes and in the register of interest payments under the Treasury Officer's initials (Forms 9 and 14)

(f) If the Sub-treasury Officer finds that the ownership of a note, presented for payment of interest, has changed, and if he has not received a fresh authorisation from the Treasury Officer to make payment to the new owner, he should forward the note or notes *uncut* and insured as of

the value of Rs 100 to the Treasury Officer for orders. On receipt of the note the Treasury Officer will examine the transfer endorsement and, if it is in order, issue a fresh authorisation to the Sub-treasury Officer in the prescribed form.

**44. Procedure for recording and communicating stop notices.**—(1) A “stop” should be recorded by a Treasury Officer against a Government promissory note, in the manner described in sub-paragraph (3) below, only on receipt of instructions to that effect from the Public Debt Office of the sphere in which his treasury is situated or from the Public Debt Office, Calcutta. Similarly, a recorded stop should be removed only on receipt of instructions from either of these two offices.

All notices of stop, or of removal thereof, should be carefully recorded at the treasury and filed together and given serial numbers.

(2) If a party makes a claim at a treasury in respect of a Government promissory note which is not in his possession but which is enfaced for payment of interest at the treasury or a sub-treasury subordinate thereto, the Treasury Officer should ask him to state the particulars of his claim in Form 31. If he furnishes correct particulars of the note, the Treasury Officer should immediately record an interim stop against it by an entry in column 9 of the Register in Form 9 and report the matter simultaneously to all the Public Debt Offices, the report to the Public Debt Office in whose jurisdiction his treasury is situated being accompanied by the Statement in Form 31. Similarly, if a claim is received direct at a Public Debt Office, the Public Debt Office will report it to all other Public Debt Offices and to the Treasury Officer concerned. No delay must be allowed to occur in the disposal of such cases as it is possible that the note may, in the meantime, be presented at some Public Debt Office. No claim or notice of

stop received at a sub-treasury direct from a party should be entertained by the Sub-treasury Officer. He should direct the party to take the matter up with the Treasury Officer.

On receipt of a notice of claim as above, the Public Debt Office may either decide that the claim has no foundation or order the Treasury Officer to record a stop notice against the note. In the former case the Treasury Officer will remove the interim stop, while in the latter case he will record a stop in the manner indicated in the following subparagraph. When a note against which a stop, either interim or final, has been recorded in the treasury registers is presented at the treasury, the Treasury Officer should forward it to the Public Debt Office for disposal, *uncut* and insured for Rs 100 together with any statement which the presenter wishes to make.

NOTE —If a notice of stop is received at a treasury direct from a court of law, the Treasury Officer should follow the procedure prescribed in subparagraph (2) above except that the court should not be required to state the particulars of the claim in Form 31.

(3) All stop notices received in a treasury from a Public Debt Office should be recorded by making a cross in red ink in the first vacant interest cage shown against the note in the Register in Form 9 with the date and the number of the notice.

(4) If a note, against which a stop has been recorded by a Treasury Officer on receipt of either a notice from a Public Debt Office or a claim from a party, happens to be enfaced at a sub-treasury the Treasury Officer should communicate the fact immediately to the Sub-treasury Officer. The latter should record a stop against the number of the note in Form 15 and on presentation of the note should forward it, *uncut* and insured for Rs 100, to the Treasury Officer who will then follow the procedure indicated in subparagraph (2) above.



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(5) When a loan is due for discharge on maturity or Government offers to convert it to some other loan, the Public Debt Office, Calcutta, prepares a consolidated list of the securities of the loan against which notices of stop stand recorded in its registers and distributes copies of the list to all Treasury Officers. Immediately on receipt of this list, the Treasury Officer should examine it to see whether the stops recorded in it correspond with those already recorded at the treasury. Subsequent advices of stop, or of removals thereof, received from the Public Debt Office, Calcutta, should also be similarly examined. Any omissions or discrepancies noticed should be reported at once to the Public Debt Office, Calcutta.

## CHAPTER V

## ENDORSEMENTS ON GOVERNMENT PROMISSORY NOTES

**45. Change of ownership can be effected by endorsement.**—It has already been mentioned that promissory notes are transferable by endorsement. No endorsement should be recognised which is made otherwise than on the note itself, for example, on a piece of paper attached to the note. Every endorsement must be written clearly and legibly in one of the endorsement cages provided for the purpose on the back of the note.

**46. Scrutiny of endorsements.**—In paragraph 40 of the preceding chapter it was pointed out, in connection with the payment of interest, that endorsements on promissory notes should be scrutinised carefully, in order to see that the person by whom, or on whose behalf, interest is claimed, is in fact the lawful owner of the note. There are other occasions, besides payment of interest, on which Government officers, both Treasury Officers and others, have to deal with promissory notes. Thus, notes may be deposited at any treasury for safe custody, or presented for repayment of the principal, or they may be held as security for the due performance of a contract, etc. In all such cases the same precautions should be taken, and whenever there is any doubt as to the ownership of a note or the validity of any endorsement thereon, the officer concerned should refuse to accept it, and should direct the presenter to get the note renewed.

It is obviously desirable that Government officers should not take the responsibility of accepting a note or of recognising its ownership, unless the title of the presenter is clear and indisputable. The rules in this chapter will

**Paras. 46-47]      ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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indicate the kinds of endorsements that can be accepted without question and those which cannot be so accepted

**47. Valid forms of endorsement.**—An endorsement consists of two parts, *viz*, (1) the pay order containing the name of the endorsee, and (2) the signature of the endorser. It will be convenient to consider these separately

The pay order should be worded in one of the following forms —

- (1) " Pay to A "
- (2) " Pay to A or order "
- (3) " Pay to A and B, jointly "
- (4) " Pay to A and B or their joint order "
- (5) " Pay to A or B "
- (6) " Pay to A or B, or order "
- (7) " Pay to A and B or either of them "
- (8) " Pay to A and B or either of them or order "
- (9) " Pay to A, B, C, D and E or to any one (or more) of them "
- (10) " Pay to A, B, C, D and E or to any one (or more) of them or order "
- (11) " Pay to A or B and C jointly or order "
- (12) " Pay to A and B jointly or C and D jointly or order "

The signature of the endorser should in each case be that of the person or persons legally qualified to dispose of the note, as described in the succeeding paragraphs. If the last endorsement on the note is blank *i.e.* although the signature of the endorser has been made and is in order, the pay order itself has been left blank the note should not be accepted, and the presenter should be told to get the name or names filled in. If an endorsement is not worded exactly as above, but obviously conveys the sense of one of these standard forms of endorsement, it

ENDORSEMENTS ON GOVERNMENT [Paras. 47-49]  
PROMISSORY NOTES

may be recognised. For example, the substitution of "Endorsed", "Transferred" or "Sold" for the word "Pay" or the substitution of "any" for "either" in Nos (7) and (8) or the addition of the words "or survivor" in Nos (3) to (10), does not make the endorsement invalid. On the other hand such endorsements as "Pay to A for B", "Pay to A, *guardian of B*" which convey a meaning entirely different from that of any of the above standard forms, are invalid. If there is any doubt as to the validity of an endorsement, the holder of the note should be required to present the note for renewal unless he can get the endorsement corrected and the correction attested by the endorser.

48. Of the above forms, (1) and (2) are called *simple endorsements*, (3) and (4) are called *joint endorsements*, and any one of the persons named therein is called a "joint holder". Endorsements in any of the forms (5) to (10), inclusive, are called *alternative endorsements*, while those in forms (11) and (12) are a combination of two or more of the forms described above.

Assuming that a note has already been validly endorsed in favour of A, B, C, etc., as in the previous paragraph, it remains to be seen how any fresh endorsement must be signed, in order to effect a valid transfer of the note from the former endorsee or endorsees, A, B, C, etc., to another party. There are four separate classes of cases to consider.

49. **By whom an endorsement must be signed.**—(I) *Where A, B, C, etc., are personal names, without the addition of any description indicating official capacity, legal status, etc.*

(1) *Simple endorsements*—(a) If the endorsement on the note is signed by A himself, and if the signature is in English, it will be sufficient to see that there is no reason

**Para. 49]**      **ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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to question it. If A's name already appears on the note in English, it is ordinarily necessary that his signature should tally with it letter for letter. If the signature be in any Indian vernacular, it must be transliterated into English and must agree with the name in the previous endorsement, or on the face of the note, as the case may be. In carrying out this instruction, however, Treasury Officers should not reject endorsements or signatures merely because of some variation in spelling in the transliteration of Indian names provided there is no *prima facie* reason to suspect that such variation is not in respect of the same individual, for example, "Dinshah" is frequently written "Dinshaw", "Prasad" as "Pershad", "Ramanujam" as "Ramanoojam", "Bakhsh" for "Bux", and so on, and objections should not be raised merely on that account. If the signature is that of a woman, attention should be paid to the instructions laid down in paragraph 58.

(b) If the endorsement on the note is not signed by A himself (or, in the case of a person unable to write, by a Magistrate on his behalf in accordance with paragraph 59) the endorsement is valid only if the signature is that of a person who has the legal right to dispose of the note on behalf of A or A's estate. Thus, the signature may be that of A's guardian, heir, executor or attorney or the administrator of his estate. In all such cases it is necessary to see that such person's claim to act in such capacity is valid. Instructions as to the steps which must be taken, and the documents which must be produced, before Treasury Officers should accept endorsements by such persons, are given in paragraphs 54 to 57.

(2) *Joint endorsements* — Except as stated below, for the purpose of transferring a note by endorsement, the signature of each of the joint-holders is necessary, and in

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

[Para. 49]

respect of each such signature the same precautions should be taken as laid down above for simple endorsements. If, however, one of the joint-holders dies, then, under section 4 of the Indian Securities Act, the right to dispose of the note lapses to the survivor or survivors, and in that case an endorsement by such survivor or survivors, as the case may be, will be recognised, provided that satisfactory proof of death has been produced. Treasury Officers are responsible for satisfying themselves that the fact of death is properly established, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease, made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate copied from the usual register and attested by the proper authority, or a certificate of death. When produced, such proof should be registered (*vide* paragraph 56) and entry made on the note, in the following form, below the endorsement in favour of the deceased and joint-holders, or, in the event of the promissory note having been specially endorsed by the survivor as such survivor, immediately below such endorsement

“ Proof of death of \_\_\_\_\_ register No \_\_\_\_\_  
of \_\_\_\_\_ ”

(Signed) \_\_\_\_\_  
*Treasury Officer*

NOTE —In the first blank should be placed the full name of the person deceased, in the next the number of the entry in the register mentioned in paragraph 57 and in the third the initial letter under which the entry has been made, and the year

(3) *Alternative endorsements* —When a promissory note stands endorsed in any of the alternative forms, it may be validly disposed of by either A, or B, or C, etc., acting singly, unless the endorsement has made the note payable to more than one of the holders, *e g*, “ Pay to A,

**Para. 49]**      **ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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B, C, and D, or to any two of them ", in which case signatures of the specified number of the holders must appear, before the note can be regarded as having been validly transferred. When the note is endorsed to two or more persons severally and either or any of them dies, it may be validly disposed of by the survivor or survivors of those persons, or by the legal representative of the deceased, or by any of them.

(4) There may also be endorsements which are the result of a combination of two or more of the classes of endorsements described above, *e g* , if a promissory note stands endorsed as in (11) above, it can be negotiated by A singly or by B and C jointly, but not by B or C acting singly. If A dies, the note becomes a note in the joint names of B and C and will thereafter be governed by clause (2) above. If B or C dies, it becomes the property of A or B, or A or C, as the case may be, and its subsequent negotiation will be regulated in accordance with the principle explained in clause (3). Similarly, a note which stands endorsed as in (12) above, can be negotiated by A and B jointly or by C and D jointly, but not by any of them singly nor by A and C, A and D, B and C, etc , jointly. If any one of them dies, the endorsement becomes as in form (11) above and will be dealt with exactly like a note standing endorsed in that form. If two or more of them die, it will fall to be regulated by clause (2) or (3), as the case may be. The procedure prescribed in clauses (1) and (2) regarding the scrutiny of signatures and the registration of death certificates will, of course, apply to these classes of cases also.

Endorsements are sometimes made in the form " Pay to A or B and C ". Treasury Officers should be careful in dealing with a note bearing an endorsement of this type. This endorsement, as it stands, can mean either

ENDORSEMENTS ON GOVERNMENT [Paras. 49-50  
PROMISSORY NOTES.

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(1) “ Pay to A, or B and C jointly ” or (2) “ Pay to A and C jointly or B and C jointly but not to A singly or B and C jointly ’ In view of the ambiguous character of an endorsement of this nature, a Treasury Officer should not ordinarily accept such an endorsement but refer the case to the Public Debt Office for instructions

**50.** (II) *Where A, B, C, etc, are personal names, but with the addition of some description indicating official capacity or legal status, etc*

For example, the last endorsement may have been like this —

(1) Pay to A President of the Sanatan Dharm Sabha,

(2) Pay to A, Secretary, Club, Calcutta,

(3) Pay to A, Managing Director of  
Company Limited,

(4) Pay to A, Superintendent, Central Jail, Dacca,  
and so forth

The general rule in such cases is to disregard entirely the designation added after the name, and to treat the note in all respects as if it were the personal property of A. Government does not undertake the responsibility of making an enquiry as to who is the person actually holding the office or position so described, and if any person, other than A, claims to be qualified to dispose of the note, not as A's heir, executor, or personal representative, but as being A's successor in such office or position, his claim should not be entertained. In such cases the proper thing for A to do, on vacating his office, is to transfer the note, by an endorsement in the personal name of his successor.

Whenever a note bearing an endorsement of this nature comes before a Treasury Officer, he should advise the holder either to have the designation added after his name struck out or to follow the procedure prescribed in Note (11), below this rule.



To this rule, however, there are two exceptions —

If the designation, added after the personal name, is that of a Government officer or an officer of an Indian State or of the Ceylon or Straits Settlements Governments, and the office in question is one of those mentioned in Appendix III, the personal name should be disregarded, and the note dealt with as if it fell under paragraph 52'

(4) Thus if the note stands endorsed as—

(1) Pay to A, Accountant General, Bengal,

(2) Pay to A, Dewan of Mysore State,

(3) Pay to A, Postmaster General, Ceylon Government,

the endorsement should be recognised because all these offices are included in the lists in Appendix III. In such a case, an endorsement signed by the successor of A in the office for the time being should be accepted as valid. If, however, the office in question is not one of those mentioned in Appendix III, an endorsement by the successor of A in office should not be recognised and the holder of the note should be directed to obtain an endorsement by A himself. If the holder of the note is unable to obtain an endorsement by A himself, he should be advised to apply to the Public Debt Office for instructions. Trouble will be saved if the Government and other officers, whose names appear in Appendix III, before getting promissory notes endorsed to them in their official capacity, take care that their personal names are not entered in the endorsements.

The second exception relates to the administration of an estate. Administrators and executors of the estate of a deceased person to which a Government Promissory Note belongs have an exceptional status which is defined in section 3 (2) of the Indian Securities Act. They are considered as representing the deceased only to the extent that they can give a title to the note but they do not possess

ENDORSEMENTS ON GOVERNMENT [Paras. 50-51  
PROMISSORY NOTES

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this title themselves If, then, a note stands in the name of a deceased person or has been endorsed "Pay to A, executor of B", or "Pay to A, administrator of B's estate", no payment of interest should be made nor any other transaction recognised until the title has been completed by an endorsement by the executor or the administrator Such executor or administrator should be told to endorse the note either in favour of himself in his personal name without the addition of any qualifying description, or of some other party, signing himself as executor or administrator, and to produce the necessary documents establishing his claim to dispose of B's property, as laid down in paragraphs 54 to 57

NOTE (1) —There are certain notes outstanding which either stand registered or have been endorsed by the Public Debt Office or the Controller of the Currency in favour of parties described as administrators or executors The issue of such notes has been discontinued, but where they have been issued, interest may be paid to the party so described Negotiations, however, will only be recognised in the manner described in this paragraph, and when the interest cages are exhausted, the renewed note will only be issued after the omission of any word indicating administration or executorship

NOTE (11) —If the Treasury Officer finds that this rule is giving trouble to a holder of promissory notes, he should draw the holder's attention to rules 6 and 7 of the Indian Securities Rules (*vide* Appendix II), which permit Government stock to be held by a person in the capacity of a trustee or in an official capacity If an administrator or executor desires to continue to be shown as the holder of the securities in his official or fiduciary capacity, he should be asked to apply to the Public Debt Office to have the notes converted into a stock certificate On receipt of such application the Public Debt Office will convert the notes into a stock certificate and describe him thereon as well as in the books of the Public Debt Office as an executor or administrator

51. (III) *Where A, B, C, etc., are personal names, but represent the name of a mercantile firm*

**Paras. 51-52]**      **ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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For example —

“ Pay to Thomas Cook and Sons ”

“ Pay to Messrs Sant Ram, Anant Ram ”

When a note, so endorsed, is transferred, the following endorsement should bear the usual signature of the firm which should agree with the specimen registered at the office where the note is presented. If, however a copy of the usual signature of the firm is not registered at the office dealing with the note, verification may be dispensed with in the following cases —

- (1) where the face value of a security or securities endorsed by any such firm does not in the aggregate exceed Rs 5,000,
- (2) where the actual applicant for conversion, renewal, etc, is a firm and the converted, renewed, etc, notes are to be issued in the name of the same firm, irrespective of the face value of the notes

**52. (IV)** *Where A, B, C, etc, are not personal names*

A note may have been endorsed in favour of a firm with an impersonal name, Bank, or of some other body corporate, such as a Port Trust, Municipality, etc, or of some office-holder. These are dealt with separately below.

(1) *Firms with impersonal names*—Government promissory notes may be held and negotiated by a firm with an impersonal name in the firm's name. The particular person or persons who will be entitled to deal with Government promissory notes for and on behalf of such a firm will have to be determined with reference to the terms of agreement, the rules of constitution, etc, of the firm. This is generally a matter of some complication and difficulty and Treasury Officers should ordinarily have these points examined and decided by the Public Debt Office. When the person or persons so entitled have been determined, the specimens of his or their signature should be registered

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

[Para. 52]

at the treasury and whenever such a note is presented, the signature on behalf of the firm should be verified with that already registered at the treasury before any action is taken on the note

(2) *Banks* — Properly incorporated banks can hold Government securities in their registered name, and the title to promissory notes so held by a bank can be transferred by the endorsement of the Manager or other duly constituted attorney. Most banks have given such authority to their branch Agents. These powers of attorney should invariably be registered at the treasury and the fact certified on the back of the note in the manner explained in paragraph 57 (7). In the case of any well-known bank, the Treasury and other officers should have no difficulty in ascertaining that the endorsement is signed by the person properly qualified to do so, but in all cases of new banks, or wherever there is any doubt a reference should be made to the Public Debt Office. The promissory note or notes in question should be sent along with such reference uncut and insured for Rs 100

(3) *Other Bodies corporate* — A promissory note may be held and negotiated by any body corporate with perpetual succession and a common seal. In such cases, it is necessary to refer to the articles of association, or the law governing the constitution of the body, in order to see who is the person legally qualified to transfer notes which are the property of the body in question. The relevant provision in the Act or Articles of Association constituting the body should in every case be registered at the treasury, a suitable note being also made on the reverse of the note. In practice, such an enquiry raises so many difficult questions, such as the wording of the Act, bye-laws, etc., by which the public body or corporation is governed, that great caution should be exercised regarding securities so held. When the corporation is an old established body,

**Paras. 52-53] ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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such as a Port Trust, a Municipality, etc., the question as to the office-bearer qualified to sign endorsements on its behalf will have long been settled, and will be generally known. No difficulty should also be felt in connection with the notes held by such authorities as an Administrator General or an Official Trustee, who, though Government officers, are bodies corporate. But in all other cases, and particularly when the body is new or is little known (*e.g.*, if a note stands in the name of such a body as "The Society for the promotion of widow re-marriage") a reference should be made to the Public Debt Office. The promissory note or notes should be sent along with such reference uncut and insured for Rs. 100.

(4) *Office-holders*—Subject to the important exception mentioned below an endorsement in favour of an office-holder (*e.g.*, "Pay to the Superintendent Central Jail, Alipore, or the Income-tax Officer, Patna, or the Deputy Accountant General, Bombay", or "Pay to the Secretary of the Budgepur Dispensary") should not be recognised. Government does not accept the responsibility of being put on enquiry as to who is the actual holder of the office at the time. If a note bearing such an endorsement is presented at the treasury, the Treasury Officer should refuse to pay interest on it and should send it to the Public Debt Office for instructions uncut and insured for Rs. 100.

The exception to this rule is the case of the holders of certain Government offices and offices in Indian States, Ceylon and Straits Settlements, the names of which are given in Appendix III. In such cases a note may be endorsed in the name of the office without mention of the personal name of the holder of the office and may also be validly transferred by the holder of the office for the time being.

**53. Trust.**—In paragraph 47 it was said that an endorsement in which the pay order does not obviously

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

Para. 53

convey the sense of one of the forms mentioned there should not be recognised. A common form of such irregular endorsements is that in which mention is made of a trust, *e g*, "Pay to A, Trustee for B", or "Pay to A, Guardian of B", or "Pay to Judge of A, on account of B's security". Government does not undertake any responsibility as regards such endorsements, if they did so, they would not be discharged of their liability, in respect of their original undertaking, by simply making the payment to A for he may have ceased to be B's trustee, and Government would be accepting an obligation which would lead to much trouble. It is for this reason that section 3 of the Indian Securities Act lays down that no notice of any trust, in respect of any Government security, shall be receivable by Government. Persons who endorse notes in such a way do so, therefore, at their own risk. The words in such endorsements indicating the trust should be regarded by Treasury Officers as so much surplusage, and whenever such a note is endorsed to or by A as trustee, or in any similar capacity, he should be treated in all respects as the owner of the note in his personal capacity. Although, however, this is sufficient to discharge Government's responsibility, it is desirable that Treasury Officers should advise A to get the note renewed in the name of the beneficiary, as a measure of self-protection against any liability which he might otherwise incur, in respect of his trusteeship, owing to his having dealt with the note in his personal capacity. This is particularly desirable in the case of a guardian, who should always be advised to get a note, which has been made payable to him in his capacity of guardian, renewed in favour of the minor.

NOTE—Note (11) below paragraph 50 applies also to cases of the class discussed in this paragraph

54. Production and registration of documents to establish a claim to deal with notes by a person other than the last endorsee.—In paragraph 49 (1) (b) it was pointed out that, if a note is endorsed by some person other than the last endorsee, the endorsement is valid only if the signature is that of a person who has a legal right to dispose of the note on behalf of the last endorsee or of the latter's estate, and that documents must be produced to prove that such person has that right. The following documents are necessary when the claim is to deal with a note in the capacity of—

- (1) *Heir* —A Succession Certificate granted under one of the Succession Certificate Acts, *viz*, Act XXVII of 1860 (since repealed) or Act VII of 1889 (since repealed) or the Indian Succession Act (XXXIX of 1925)
- (2) *Executor or Administrator* —Probate or Letters of Administration, granted by a competent Court in British India under the provisions of the Indian Succession Act (Act X of 1865) (since repealed) or the Probate and Administration Act (Act V of 1881) (since repealed), or the Indian Succession Act (XXXIX of 1925)

NOTE —In the following cases the person having the right to deal in promissory notes standing in the name of a deceased person may in certain circumstances obtain renewal of the notes in accordance with paragraph 66 without going to the expense and trouble of obtaining any of the documents mentioned above —

- (a) If the deceased holder was a member of a Hindu undivided family governed by the *Mitakshara* law
- (b) If the face value of the securities held by the deceased person does not in the aggregate exceed Rs 5,000

It should be specially noted, however, that a transfer endorsement signed by such a person on a promissory note standing in the name of the deceased should on no account be recognised. The person claiming as heir should first be required to have the note

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

[Para. 54

renewed in his own name before transferring it to another person by endorsement

- (3) *Guardian* —A guardianship certificate granted by a competent court under the provisions of the Guardians and Wards Act (Act VIII of 1890)

NOTE (1) —The father of a Mahommedan minor and the father, or if the father be dead, the mother of a Hindu minor, can deal in securities standing in the name of the minor without obtaining a certificate of guardianship under the Act cited above

NOTE (2) —Evidence showing that the ward is alive at the time and is still a minor must be produced in all cases of negotiation. A formal declaration by the guardian supported by the signature of two respectable witnesses and authenticated by the Accountant, Public Debt Office, a Treasury Officer, a Justice of the Peace, or a Magistrate will ordinarily suffice

In the case of intermediate endorsements by guardians, if the note bears a certificate recorded by the Public Debt Office or a Treasury Officer empowering the guardian to negotiate, production of evidence showing that the ward was alive and continued to be a minor at the time of the endorsement may be waived if it appears that the endorsement was made within a reasonable period after the grant of this certificate. If no such certificate appears on the note the production of evidence on the points mentioned above should be insisted upon. The same procedure should be applied *mutatis mutandis* in the case of endorsements by the guardians of lunatics

- (4) *Attorney* —A properly executed power-of-attorney (including a sale-power). In this case, however, the examination of the document is usually a matter of some difficulty involving the interpretation of legal terms, and a power-of-attorney, purporting to convey full powers to sell or otherwise transfer securities, should not ordinarily be recognised by a Treasury Officer without reference to the Public Debt Office. Where, however, a power-of-attorney contains



a specific prescription empowering the attorney to negotiate or transfer *Government* securities, or *Government* promissory notes, in particular (*i.e.*, to say, not merely promissory notes or other negotiable instruments generally), on behalf of the principal, the Treasury Officer may act on it without reference to the Public Debt Office, if he is satisfied that the document is otherwise in order

NOTE — An attorney or an agent cannot endorse a note in his own favour. Treasury Officers should not ordinarily recognise such an endorsement unless the relative document expressly authorises the attorney or agent to effect such a transfer

There are two cases, however, in which Government promissory notes may be disposed of otherwise than by the last endorsee or by his personal representative, such as his heir, executor, attorney, etc., *viz* —

(a) Promissory notes sometimes form the subject of a civil suit, and a decree is passed by a court in British India transferring their ownership from one person to another. In such a case, an endorsement signed by the presiding officer of the court on behalf of the judgment debtor in the suit to the following effect —

“ Pay to \_\_\_\_\_  
 (Signed) \_\_\_\_\_  
 Judge of the Court of \_\_\_\_\_  
 for \_\_\_\_\_ (judgment debtor) in suit No. \_\_\_\_\_  
 \_\_\_\_\_ by \_\_\_\_\_ (plaintiff)  
 against \_\_\_\_\_ (defendant) ”

and duly stamped with the seal of his court, should be recognised. It is necessary, however, that the judgment-debtor should be either the last endorsee of the Government promissory notes if he is living, or his legal representative, if he is dead. As cases of this nature usually

ENDORSEMENTS ON GOVERNMENT [Paras. 54-56]  
PROMISSORY NOTES

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present complicated features a Treasury Officer should not accept a note bearing such an endorsement without a reference to the Public Debt Office

- (b) Provincial Governments occasionally issue orders vesting securities in a Treasurer of Charitable Endowments in terms of section 4 (1) of the Charitable Endowments Act (VI of 1890) When such vesting orders have been duly noted on the back of a Government promissory note, a transfer endorsement by the Treasurer should be accepted whether or not there is any formal endorsement on the note by the previous holder in his favour

**55. Distinction to be drawn between documents conveying full powers and those conveying limited powers**—These documents must be registered at the treasury at which the notes are enfaced for payment of interest in the manner explained in paragraph 57 The certificates and other documents mentioned above frequently limit the power of the person in question to the drawal of interest or otherwise, and it is important that Treasury Officers should carefully distinguish between those documents which confer an unlimited power to deal with the securities, and those in which the power is limited in any way

**56. Other documents.**—Besides the above-mentioned documents, other documents are frequently produced before Treasury Officers in connection with promissory notes. These are —

- (1) Documents relating to the proof of death of a joint holder [*vide* paragraph 49 (2)]
- (2) Certificate of incorporation of a body corporate, or Articles of Association, or similar documents (*vide* paragraph 52)

**Paras. 56-57]      ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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- (3) Certificate of marriage    If a note which was endorsed in the name of a woman before her marriage is subsequently re-endorsed by her in her married name, which differs from her previous name, a certificate from a magistrate or other respectable person of position, corroborating the change in the name in consequence of her marriage requires to be produced before the Treasury Officer

All these documents as well as those mentioned in paragraph 54 should be registered at the treasury in the manner explained in the following paragraph

**57. Treasury procedure in registering documents.—**  
The Treasury Officer will maintain a register in Form No 16, and in registering a document he should observe the following instructions —

- (1) Two names have to be entered, *viz*, (a) in the column " Name of Principal " the name of the person whose property is concerned, and (b) in the column " To whom granted " the name of the person to whom or in whose favour the document has been issued
- (2) Separate pages should be reserved for separate initials, the initial being in each case that of the surname of the " principal "    The entries under each initial should have a separate series of numbers
- (3) Care must be taken to record the limitations of power conveyed, so that transfers may not be admitted under powers to realise interest only
- (4) Succession Certificates are required to specify the securities to which they relate    The list of securities covered by the certificate should be entered in the column " Description "

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

[Para. 57]

(5) In the case of probates, etc., and other orders of a court, the name of the court, and any number it may have assigned to its order should be entered in the column "Date of document"

(6) All documents so registered should be endorsed as follows —

"Registered No \_\_\_\_\_  
(Signed) \_\_\_\_\_

*Treasury Officer*

District \_\_\_\_\_

Date \_\_\_\_\_ "

(7) In the case of every endorsement or signature supported by such a document the number which the document bears in the register, the date of registry and the nature or extent of power conveyed should be noted on the back of each note, closely below such signature and attested by the Treasury Officer's initials. The nature or extent of the power should be noted as briefly as possible, *e g*, "Probate", "Full letters of administration", "Certificate to negotiate and to draw interest"

(8) Subject to the exception mentioned below, no document liable to stamp duty should be registered unless it is properly stamped. Letters of Administration or Succession Certificates issued by a competent court in British India, should, however, even when insufficiently stamped, be registered and acted upon, the fact that the document was insufficiently stamped being brought to the notice of the court concerned. In considering whether any document is sufficiently stamped, the Treasury Officers should remember—

(1) That the stamp duty on a document entitling the holder merely to draw interest is

**Paras. 57-58] ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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calculated on the value of the securities in question, and not on the amount of the interest annually drawable

- (11) That powers-of-attorney, granted by a number of persons, having separate and distinct interests in the acts to be performed under such powers, must be stamped to a value equal to the aggregate amount of duty which would have to be paid if each person had executed a separate power. Similarly a power-of-attorney executed by a person acting in two or more different capacities, *e g*, when he appoints an attorney to act on his behalf in regard to his own property and also in regard to any property which he has to administer, as the guardian of a minor ward, should be stamped to a value equal to the aggregate amount of duty which would have to be paid if he had executed a separate power in respect of each of his different capacities
- (111) That, notwithstanding anything said above, a power-of-attorney, or any other written authority, authorising one or more of the joint-holders of a note to give a valid discharge for interest, is exempt from stamp duty

**58. Endorsements by Women.**—If an endorsement is signed by a woman, and the signature is in English, it will ordinarily be sufficient to adopt the same precautions as in the case of an endorsement by a man, though, if a note, which has been endorsed to a woman before her marriage, is subsequently re-endorsed by her in her married name, it may sometimes be necessary, unless the Treasury Officer

ENDORSEMENTS ON GOVERNMENT [Paras. 58-59]  
PROMISSORY NOTES

is satisfied that she is the actual person named in the previous endorsement, to require a certificate or other proof of marriage [*vide* paragraph 56 (3)] If the endorsement is in a vernacular, it should be transliterated into English, and if the woman goes out in public, she should be asked to come to the treasury or to appear before a Magistrate or a Justice of the Peace to have her signature verified, whereupon the officer concerned should write "Verified, or signed before me" under the signature and affix his initial and designation

But if the woman is *pardanashin*, or if she does not go out in public to an extent which would enable her to attend personally at the treasury, it is necessary, for the protection of the interests both of Government and of the holder herself, that her signature should be attested by two respectable witnesses, who must appear before the Accountant of the Public Debt Office, or a Treasury Officer, or Justice of the Peace, or any Magistrate, to testify to the genuineness of the endorsement Such officer should then authenticate the examination as follows —

"Examined before me"

(Signed) \_\_\_\_\_

(Designation) \_\_\_\_\_

at \_\_\_\_\_ in the district of \_\_\_\_\_

Date \_\_\_\_\_

**59. Endorsements by persons unable to write.**—If the holder of a promissory note satisfies a Magistrate that he is for any reason unable to write and that he is the person whom he represents himself to be, the Magistrate may, at the request of the holder, sign the endorsement on his behalf if he is satisfied that the holder understands the effect of the endorsement The Magistrate must sign the endorsement in the presence of the holder and enter below his signature a certificate to the effect that the endorsement was signed at the request of the holder after being read

**Paras. 59-60] ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES**

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over to him and that he is satisfied that the effect of the endorsement is fully understood by the holder

The rule in the above sub-paragraph provides a simple and definite method, by which a person who is for any reason unable to write, can validly have the signature to an endorsement on a Government promissory note made but this does not mean that a signature of such a person effected in some other manner, permissible under the general law, would not be valid. Thus, a signature made by means of a mark or a thumb impression, which is valid under the General Clauses Act (X of 1897) is acceptable. In such a case, it is necessary, however, that the signature should be attested in the manner prescribed in paragraph 58, the officer authenticating it being required to satisfy himself that the person affixing the mark or the thumb impression is the person competent to sign the endorsement and effect a valid transfer of the Government promissory note, that he is actually unable to write at the time of the endorsement and that he fully realises the object and the effect of affixing the mark or the thumb impression to the endorsement. A signature by a mark, thumb impression, etc., attested and authenticated as above, is acceptable in the same way as any ordinary signature.

**60. Special forms of promissory notes.**—There are two special forms of promissory notes with which Government officers may occasionally have to deal

(1) *Counterpart Notes*

These are notes which, for the convenience of the public, were issued in certain cases, for the protection of the interest of owners who were not in a position to deal with their property themselves. Thus, when a note was the property of a minor or a lunatic unrepresented by any person having power to negotiate it, i.e., the powers of whose guardian were limited to the drawal of interest.

ENDORSEMENTS ON GOVERNMENT  
PROMISSORY NOTES

[Para. 60]

or belonged to an estate in which administration was limited to interest, the Public Debt Office, upon such note being deposited with it issued to the holder a counterpart note having the words "counterpart not negotiable" stamped across the face, payments of interest on the note are recorded upon such counterpart. Whenever such a note ceases to be the property of the minor or the lunatic, or ceases to belong to an estate in which administration is limited to interest the further payment of interest in respect of the note should be refused until the first or any subsequent counterpart (as the case may be) issued in respect of it has been exchanged for an ordinary note. On the issue of a new note in favour of the new owner the counterpart together with the original note and any preceding counterpart issued in respect thereof, will be cancelled. The issue of counterpart notes has been discontinued. Cases of the nature specified above are now dealt with in accordance with paragraph 121.

(2) *Special Notes for Indian States* (vide Rule 40, Appendix II)

These are issued to Rulers of States in India, in order to make available to them certain special privileges, viz —

- (a) The notes, being issued in the name of the Ruler and his successors, devolve by mere succession to the Raj, without legal representation or other formality,
- (b) The interest on these notes is exempt from income-tax and super-tax and for securing this exemption no certificate from an Income-tax Officer is required to be produced.

The issue of these special notes is subject to the following conditions. —

- (1) They are issued only in favour of the Rulers of Indian States, whose admission to the privilege has been sanctioned by the Central Government.



- (11) Application for such notes should be made to the Public Debt Office in whose jurisdiction the State is situated by the Political Officer accredited to the State, and should be accompanied by a copy of the order of the Central Government sanctioning the admission of the State to the privilege. The securities required to be converted should be attached to such application and should be sent uncut and insured for Rs 100
- (111) Special notes will not be issued in favour of the Ruler of a State if his total in this form, including the amount applied for, falls short of Rs 50,000
- (1v) Such notes are negotiable by endorsement, as in the case of ordinary notes but the transferee must convert them into notes in the ordinary form of like denominations and amounts before he can be allowed to deal with them

Where such notes are required by conversion of promissory notes in the ordinary form the latter should be endorsed for this purpose as follows —

“ Received in lieu of this note and notes Nos ——— (mentioning the numbers and amounts of the other notes and the loans to which these belong) a note in the special form of the ——— loan of ——— in favour of ——— and his successors with interest payable at the ——— treasury ”

*Signature of the holder or his  
duly authorised representative*

No fee will be chargeable by the Public Debt Office for the issue of special notes by conversion of securities in the ordinary form

## CHAPTER VI

## RENEWAL OF SECURITIES

**61.** The rules in this chapter deal with the issue of new securities in exchange for existing securities, they do not refer to the issue of duplicate securities in place of those which have been lost, stolen or destroyed, rules regarding which will be found in paragraph 122

**62. Stock certificates.**—From the description of stock certificates already given it will be seen that in their case no question of renewal arises, for the document is, as its name implies, merely a certificate and when the ownership of the stock passes to another person, a new certificate is issued in the latter's name

**63. Bearer bonds.**—In the case of bearer bonds, renewal is necessary, and is ordinarily permitted, only on the exhaustion of the coupons attached to a bond, in which case application should be made to a Public Debt Office or to the treasury at which the bond is registered for payment of coupons, the bond being presented along with the application. When a bearer bond is presented at a treasury for renewal, the Treasury Officer should, after verifying that the coupons have been exhausted, forward the bond, together with the application (which may be in any form) to the Public Debt Office. He should grant the presenter a receipt in Form 17 and forward the bond to the Public Debt Office, uncut and insured for Rs 100. A register should be maintained in Form 2 to watch the disposal of all such bonds

NOTE —No fee is payable for the renewal of a bearer bond

**64. Promissory notes and importance of renewal.**—In the case of promissory notes renewal may be either optional or compulsory. The holder of a note may receipt or discharge it for renewal and get a new note in his own

**Paras. 64-65] RENEWAL OF SECURITIES.**

name in accordance with the provisions of section 12 of the Indian Securities Act (X of 1920) It is important that Treasury Officers should, as explained in paragraph 41 above, refuse to pay interest on a promissory note whenever any of the endorsements is not in such a form as may be accepted without question under the provisions of Chapter V Holders of such notes should be told to receipt them for renewal and send them to the Public Debt Office Similarly Government officers receiving promissory notes by endorsements should, unless the chain of endorsement is clear and beyond question, require the holder to apply for renewal

**65. When renewal is necessary.**—The rules in previous chapters will have indicated the cases in which the holder of a note may be required to receipt it for renewal Such cases are for convenience brought together and enumerated below —

- (1) If only sufficient room remains on the back of the note for one further endorsement or if any word or words is or are written upon the note across any existing endorsement or endorsements
- (2) If the note is torn, or in any way damaged or crowded with writing, or unfit, in the opinion of the officer before whom it is produced for payment of interest or for receiving endorsement
- (3) If the note bears an endorsement which is not in one of the forms enumerated in paragraph 47, or the signature to which is not that of the person or persons mentioned in paragraphs 49 to 52 and 59 as being qualified legally to transfer the note
- (4) If the note having been en faced three times for payment of interest is presented for re-enfacement

- (5) If any endorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or in the case of office-holders, by office or if there is any endorsement made otherwise than in one of the endorsement cages on the back of the note
- (6) If the interest on the note has remained undrawn for ten years or more
- (7) If the interest cages on the reverse of the note have been completely filled or if the vacant printed cages on the reverse of the note do not correspond with the half years for which interest has become due on the date when the note is presented for drawal of interest
- (8) If, in the opinion of the Public Debt Office, the title of the person presenting the note is irregular or not fully proved

**66. Renewal by heirs of deceased holders.**—There are two other cases in which the heirs of deceased holders of promissory notes should be advised to apply for renewal, namely, when the deceased holder belonged to a Hindu undivided family governed by the Mitakshara law, or when the deceased holder was in possession of Government securities in the form of stock certificates and promissory notes of which the nominal or face value does not in the aggregate exceed Rs 5,000. If the title to the notes is not disputed, they can be renewed in favour of the heirs without the production of probate of a will or letters of administration or a succession certificate under the Indian Succession Act (XXXIX of 1925). Renewal, therefore, is the easiest method by which an heir can in such cases acquire the right to deal with the promissory notes belonging to a deceased person. The procedure for this is as follows —

- (a) If the deceased was a member of a Hindu undivided family governed by the Mitakshara law, the

person claiming the promissory notes should obtain a certificate from the District Magistrate, properly sealed with the seal of his court, in the following form.—

“ Certified that \_\_\_\_\_ (the holder's name), the deceased holder of Government promissory notes Nos \_\_\_\_\_ of the \_\_\_\_\_ loan for Rs \_\_\_\_\_ belonged to a Hindu undivided family governed by the Mitakshara law, that the Government promissory notes formed part of the joint property of the family and that \_\_\_\_\_ (the applicant) is the managing (or sole surviving) male member of the family ”

NOTE —A certificate in the above form may be accepted and acted upon, in the case of the issue of fresh stock certificates and payment of the discharge value of promissory notes and/or stock certificates of terminable loans

- (b) If the nominal or face value of the Government securities in the form of stock certificates and promissory notes left by the deceased person does not in the aggregate exceed Rs 5,000, and if six months have elapsed since the death of the holder and probate of his will or letters of administration of his estate or a succession certificate under the Indian Succession Act has not been obtained within this period, the person claiming to be his heir should be directed to apply to the District Magistrate for a certificate declaring that he is the heir of the deceased. If after enquiry in the manner provided in sub-sections (2) and (3) of section 13 of the Indian Securities Act (X of 1920), the District Magistrate is satisfied that the applicant is the only legal heir of the deceased, and that the nominal value of the Government securities in the form of

stock certificates and/or promissory notes left by the deceased does not in the aggregate exceed Rs 5,000, he will give him a certificate, properly sealed with the seal of his court, in the following form —

“ Certified that \_\_\_\_\_ [the applicant(s)] is (are) the only legal hen(s) of the deceased \_\_\_\_\_ the last holder of Government promissory note(s) No(s) \_\_\_\_\_ of the \_\_\_\_\_ per cent loan of \_\_\_\_\_ for Rs \_\_\_\_\_ who died on the \_\_\_\_\_

The total holding of the deceased in Government securities in the form of stock certificates and promissory notes at the time of his death did not exceed Rs 5,000 face value ”

On production of the promissory notes with a certificate in either of the forms mentioned above, the Treasury Officer should require the person named in the certificate to receipt the promissory notes for renewal in the form given in paragraph 68 (iv) The Treasury Officer should then forward the notes, *uncut* and *insured* for Rs 100 and the certificate to the Public Debt Office in accordance with paragraph 68 and should certify that the signature on the certificate is in order If the title to the promissory notes is disputed, the case should be referred to the Public Debt Office

NOTE —In this paragraph District Magistrate has the meaning given in the explanation to section 13 of the Indian Securities Act (*vide* Appendix I)

**67.** The holder of a Government promissory note may, whether renewal is required under these rules or not, procure a renewed note in lieu of his original security in the following way, namely, he may present it duly receipted either in person or through a representative at (1) any Public Debt Office, or, (2) if enfaced at a Government treasury, at that treasury for transmission to the Public Debt Office

**68. Procedure at treasuries when notes are tendered for renewal.**—(1) If the notes are presented at a treasury, the Treasury Officer will despatch them to the Public Debt Office by post, uncut and insured for Rs 100 Care should be taken that the registry, in the treasury office, of all documents connected with transactions entered on the back of the notes, is correctly certified against each transaction,

(a) In the receipt for renewal the name or names of the person or persons in whose favour a new note is required should be correctly and legibly written. Such name or names should agree letter for letter with the name or names in the last endorsement on the notes, and the pay order such as either of them, or any one of them etc., mentioned therein, added to such name or names in the renewal receipt

(b) In the case of notes required in favour of a European woman, her condition in life (unmarried, married or widow) should be stated

(c) In the case of an Indian lady her full personal name should be mentioned both in the last endorsement and in the renewal receipt

NOTE.—The vernacular signature of a woman in the renewal receipt on a promissory note standing in her own name does not require to be attested in the manner prescribed in paragraph 58. It is sufficient if it is properly transliterated

(ii) A receipt should be granted by the Treasury Officer in Form 17 in respect of the notes received for renewal. A register should also be maintained in Form 2 to watch the disposal of all such notes presented at the treasury

(iii) Before despatching a note to the Public Debt Office, the Treasury Officer must be careful to see that the interest due up to the immediately preceding half-yearly date has been drawn, except in cases where payment of interest has been refused because of some doubt or defect

in regard to the endorsements or where the note is shown as stopped, or where the title of the person claiming renewal of the note requires to be established by production of a certificate as prescribed in paragraph 66, or where the interest has been left undrawn for ten years or more [*vide* paragraph 41 (6)]

(iv) A note tendered for renewal must be receipted as follows, in the cage provided for this purpose at the foot of the note on the back —

“Received in lieu hereof a renewed note payable to (*name of holder*), with interest payable at \_\_\_\_\_ Treasury

*Signature of the holder/duly  
authorised representative of  
(name of holder) ”*

If, however, the person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or in a form as near thereto as circumstances will admit —

“Received in lieu hereof two (or more) notes for Rs \_\_\_\_\_ respectively, payable to (*name of holder*), with interest payable at \_\_\_\_\_ Treasury

*Signature of the holder/duly  
authorised representative of  
(name of holder) ”*

If the person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must be receipted as follows, or in a form as near thereto as circumstances will admit —

“Received in lieu hereof a new note payable to (*name of holder*) for Rs \_\_\_\_\_ by consolidation with promissory note or notes Nos \_\_\_\_\_, (*mentioning the numbers and amounts of the other notes desired to be consolidated with it and specifying the loan*) with interest payable at \_\_\_\_\_ Treasury

*Signature of the holder/duly  
authorised representative of  
(name of holder) ”*



**Paras. 68-69]** RENEWAL OF SECURITIES.

(v) If a note presented for renewal is not properly discharged, Government's liability in respect of it does not cease by the issue of a new note. It is important, therefore, that the Treasury Officer should see that the form of receipt mentioned in clause (iv) above is clearly and correctly written, and that there is no ambiguity as to the name of the payee of the new note. The name of the holder, as signed by him or as entered by the duly authorised representative below his own signature, should agree with the name in the body of the note, or in the transferring endorsement, as the case may be, the instructions given in clause (1) of paragraph 49 being kept in view in having the agreement made.

**69. Fees payable on renewal.**—(a) The following fees are payable in respect of the renewal of a Government promissory note.—

For each note four annas per cent. if the new note does not exceed Rs 400, and one rupee per note if the new note exceeds that sum

(b) The fact of receipt of the fee should be recorded on the back of the note by the Treasury Officer and the amount credited in the cash account as "Renewal fee on G P Note No \_\_\_\_\_ of the \_\_\_\_\_ (name of loan) for Rs \_\_\_\_\_ as per advice No \_\_\_\_\_, dated \_\_\_\_\_, to the Public Debt Office (name of the Public Debt Office), care being taken that the No and date of the advice (Form 27) are entered in the cash account before the advice is despatched. The coupon attached to the advice should be filled up and despatched with the advice

(c) No fee is payable in respect of the renewal of a note which bears no endorsement other than an endorsement by an officer of the Reserve Bank of India, the Imperial Bank of India (or of the Presidency Banks before amalgamation), the Controller of the Currency, his Deputy or Assist-

ant, or an Accountant General, his Deputy or Assistant or an Assistant Accounts Officer, Posts and Telegraphs, and the renewal endorsement signed either by the person in whose name the note stands last endorsed or by his attorney or other legal representative, when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest. The fee prescribed in clause (a) above is not payable also for the renewal of a promissory note (1) standing in the name of any of the officers included in Appendix III, paragraph 1, on the application of such officer, (2) in favour of the heir or heirs of a deceased person in pursuance of the rule in clause (b) of paragraph 66

**70. Defective title.**—When a promissory note receipted for renewal comes before a Public Debt Office, and the title appears defective, the Public Debt Office will refuse to renew the note until such title is cleared, or the following procedure is adopted:—

- (a) Where the defect is formal only, so that the risk in overlooking it is small, the note may be renewed at once under orders of the Reserve Bank of India on a bond of indemnity, which should be for twice the amount of the note
- (b) If the defect, however, be a serious one which it would be inadvisable to overlook, the Public Debt Office will refer the case to the Reserve Bank of India for the issue of necessary instructions
- (c) In cases where the note belongs to an estate in which administration is limited to interest, or to a minor powers of whose guardian are limited to the drawal of interest only, the Public Debt Office arranges for payment of interest in accordance with paragraph 121

**Paras. 71-72]      RENEWAL OF SECURITIES**

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**71. Dispute as to title.**—When there is a dispute as to the title to a promissory note in respect of which an application for renewal has been made, the Public Debt Office refers the case to the Reserve Bank of India for orders under section 13 of the Indian Securities Act

NOTE —No fee is payable for the renewal of a Government promissory note on the orders of the Reserve Bank of India issued under this paragraph

**72. Interest on notes under renewal.**—When a note is under renewal, the interest on it, pending the issue of a new note, can only be paid by the order of the Public Debt Office

PROCEDURE IN CONNECTION WITH THE [Paras. 73-74  
 ISSUE OF NEW LOANS OF THE CENTRAL  
 GOVERNMENT

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## CHAPTER VII

### PROCEDURE IN CONNECTION WITH THE ISSUE OF NEW LOANS OF THE CENTRAL GOVERNMENT

**73. Scope of the Rules.**—When the Central Government notify the issue of a new loan, and subscriptions are receivable at a treasury under the terms of the notification. Treasury Officers in dealing with applications for the loan will observe the procedure outlined in this chapter except in so far as they may be modified by special instructions issued at the time the loan is notified

Immediately before the lists are due to open for subscription, a circular letter conveying full instructions with regard to (a) the method and the form in which the figures for the loan are to be reported and (b) the precise adjustments which the Treasury Officers are required to make in their accounts in connection with the subscriptions will be distributed to all Treasury Officers. Instructions which involve departure from these rules in a particular case will also be embodied in the letter

**74. Place of receipt of applications.**—The places at which applications for a new loan will be received are indicated in the loan notification. In some cases applications have been received only at offices of the Reserve Bank of India, or at such offices and at branches of the Imperial Bank of India, in other cases they have been received also at treasuries. It should be carefully noted that even if applications are to be received at treasuries they should not be accepted at sub-treasuries unless this is specifically stated in the loan notification

**Paras. 75-76]**      **PROCEDURE IN CONNECTION WITH THE  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT**

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**75. Method of dealing with applications.**—(a) If applications are receivable at treasuries in terms of the loan notification, Treasury Officers should deal with them in the manner explained below —

A Treasury Officer does not ordinarily issue scrip of a new loan against applications received at treasuries. His duty is merely to receive applications, and, after examination in the manner explained in the following paragraphs, to forward them, along with the securities, if any, and the statements and returns prescribed in paragraph 85 below, to the Public Debt Office in whose jurisdiction the treasury is situated

(b) If, however, these are not receivable, he should direct any person bringing his application to the treasury to the office in that station or elsewhere in which these applications are receivable. Similarly, if an application happens to be received at such a treasury by post, the Treasury Officer should pass it on immediately to that office for disposal under intimation to the party. A Sub-Treasury Officer should also proceed in the same way if any such application comes to him. The Treasury Officer should, however, note that if, during the time a new loan is under issue he receives a request from any office of the Reserve Bank of India or branch of the Imperial Bank of India for any information available at the treasury or for copies of any documents registered at the treasury, in respect of any security of the loans, if any, which are acceptable in subscription to that issue, he must comply with it at once

**76. Forms of subscriptions to a new loan.**—Subscriptions to a new loan are ordinarily payable in any one or more of the following forms, *viz*, cash (including

PROCEDURE IN CONNECTION WITH THE [Paras. 76-77]  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT

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cheques), treasury bills and securities of any existing loan or loans of the Central Government. Subscriptions in the form of treasury bills are receivable only at the office from which a particular bill was issued, and as these are not issued from any treasury, Treasury Officers will not have any occasion to deal with them.

**77. Form of application for a new loan.**—(a) Applications for a new loan may be made either in the form which is usually attached to the loan notification (copies of which are supplied to each treasury before a new loan opens for subscription) or in any other form which gives the following particulars —

- (i) the form in which the subscription is paid (i.e., cash, cheque or Government securities, as the case may be) and the amount of such subscription, where the subscription is in the form of Government securities, then nominal value should be mentioned,
- (ii) the amount and description of the securities of the new loan required,
- (iii) the treasury or sub-treasury at which payment of interest is desired,
- (iv) the full name and address of the applicant (in block letters)

Unless otherwise stated in the loan notification, securities of a new loan are issuable in the form of stock certificates or promissory notes only.

(b) When an applicant desires securities of the new loan to be partly in the form of stock certificates and partly in the form of Government promissory notes, he should be required to submit separate applications for the amount required in each form. Similarly, when subscriptions to a new loan are tendered, both in cash (including cheque) and in Government securities, separate applications should

**Paras. 77-79]      PROCEDURE IN CONNECTION WITH THE  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT**

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be made for each form of subscription, further in the case of Government securities tendered for subscription if two or more different loans are offered for conversion, separate applications should be made for each loan so offered

*N B*—Treasury officers should take particular care not to accept any application partly paid in cash (including cheque) and partly in Government securities

**78. Applications accompanied by subscriptions in cash.**—If an application is accompanied by subscription in the form of cash, the Treasury Officer should see that the application furnishes all the necessary particulars correctly and make sure that the correct amount of cash payable in terms of the loan notification for the securities of the new loan applied for has been duly received. He should then credit the amount to the treasury accounts. The particular head or heads of account to which the amount should be credited will be indicated in the circular letter referred to in paragraph 73 above.

**79. Applications accompanied by subscriptions in the form of cheques.**—If payment of the subscription is made by means of a cheque, or partly in cash and partly by a cheque, the Treasury Officer should first see that the total amount tendered is correct, *i.e.*, the total amount tendered represents the issue price per cent of the new loan as mentioned in the loan notification or a multiple thereof and that the cheque has been drawn in favour of the Treasury Officer. If the cheque is on a local bank, he should arrange to cash it on the same day and to credit the amount in his accounts in the same way as subscriptions paid in cash. If it is drawn on a bank at an outside station, he should have it crossed and should then forward it by registered post to the nearest office of the Reserve Bank of India or branch of the Imperial Bank of India.

PROCEDURE IN CONNECTION WITH THE [Paras. 79-81]  
 ISSUE OF NEW LOANS OF THE CENTRAL  
 GOVERNMENT

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with a request that the amount of the cheque may, after realisation, be credited to the Government account, the head under which it should be credited being clearly specified. On receipt of an advice from the bank that the cheque has been realised and credited to the Government account, an intimation of the credit should be sent to the Public Debt Office to which the relative application has been forwarded [*vide* paragraph 75 (a)] to enable that office to issue the required securities. If the cheque is drawn on a bank at the station where the Public Debt Office is situated, the cheque should be sent on to that office for realisation, along with the application.

**80. Applications accompanied by subscriptions in the form of Government securities.**—When an application is accompanied by subscription in the form of securities of an existing loan of the Central Government, the Treasury Officer should first see that they belong to the correct loan as prescribed in the loan notification. He should then check them with the list of stopped securities of that loan received from the Public Debt Office, Calcutta. For this purpose, a list of stopped securities is supplied to each Treasury Officer before a new loan opens for subscription and notices of subsequent stops (or of removal of stops) occurring during the period when the loan is open to subscription are also advised by the Public Debt Office. If the number of a security tendered in subscription is in the stopped list, the application with which it was received should be kept separate from other applications and forwarded to the Public Debt Office with the security in a registered cover insured for Rs 100.

**81. Method of discharge of securities tendered in subscription to a new loan.**—Before accepting a security in subscription to a new loan, the Treasury Officer should



**Para. 81]****PROCEDURE IN CONNECTION WITH THE  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT**

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see that it has been properly discharged by the rightful holder

- (a) In the case of a stock certificate, the discharge should be given by the registered holder [or by the survivor or survivors in the case of joint holders, in which case a death certificate, as prescribed in paragraph 49 (2), should be obtained and registered at the treasury], by signing the transfer deed on the back of the Certificate before a witness. If the discharge is given *not* by the registered holder but by a person who claims to possess a legal right to dispose of the security on behalf of such holder as his heir, executor, guardian or attorney, or as the administrator of his estate, the Treasury Officer must see that, except in the cases which fall under paragraphs 82 and 83 below, the relevant document or documents mentioned in paragraph 54 are produced and registered in the manner prescribed in paragraphs 55 and 57 and that the fact of their production and registration is recorded on the security under his authentication. In examining the signature to the discharge receipt, the precautions prescribed for this purpose in paragraphs 49 and 58 should also be specially observed.
- (b) In the case of a promissory note the validity of the chain of endorsements on the note should be examined with reference to the rules in paragraphs 49 to 52 and 58. The discharge receipt should read as " Pay to the Governor General in Council " and should be signed by the holder of the note in due course. When the person

PROCEDURE IN CONNECTION WITH THE [Paras. 81-82  
 ISSUE OF NEW LOANS OF THE CENTRAL  
 GOVERNMENT

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signing the discharge receipt is not such holder but one who claims to be his legal representative, the Treasury Officer should proceed in the manner indicated in clause (a) above

- (c) In the case of a bearer bond, no discharge receipt of any kind is required. It is necessary only to see that all the outstanding coupons are surrendered with the bond

**82. Relaxation in the case of small holders.**—The procedure prescribed in the preceding paragraph may be relaxed in the following cases where the total amount of the securities in the form of stock certificates and promissory notes owned by a holder does not in the aggregate exceed Rs 5,000 —

- (a) Where the holder is a minor or a lunatic, a discharge receipt signed by the father, or, if the father be dead, by the mother, of such minor or lunatic, may be accepted without question if the Treasury Officer is satisfied as to the identity of the father or the mother, either from personal knowledge or from a certificate of identity signed by a magistrate. If the person discharging the security on behalf of the minor or the lunatic is neither the father nor the mother, a certificate of the District Magistrate to the effect that such person is the actual guardian of the minor or the lunatic should be accepted
- (b) Where the holder or the last endorsee (in the case of stock, the person named on the stock certificate) is dead, the Treasury Officer should accept the discharge of the person certified by the District Magistrate to be the actual heir

**Paras. 82-84]      PROCEDURE IN CONNECTION WITH THE  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT**

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of the deceased, or as entitled to administer the latter's estate (*vide* paragraph 66)

In either case the fact of the production of the District Magistrate's certificate should be noted on the back of the securities over the Treasury Officer's signature. All certificates so produced should be retained by the Treasury Officer and filed. In cases where the discharge of the father or the mother of a minor or lunatic is accepted, the fact of such relationship should be certified by the Treasury Officer on the back of the scrip.

**NOTE**—In this paragraph, District Magistrate has the meaning given in the explanation to section 13 of the Indian Securities Act (*vide* Appendix I)

**83. Discharge receipt by persons unable to write.**—If a person by whom the discharge receipt on a Government security has to be signed is for any reason unable to write, he should be required to follow the procedure prescribed in paragraph 59 in regard to the signing by such persons of endorsements on promissory notes. In such a case the Treasury Officer also may sign the receipt in the manner prescribed therein if he is a magistrate.

**84. Payment of all accrued interest on promissory notes before acceptance.**—It should be carefully noted that, except in the cases indicated below, the accrued interest on promissory notes tendered in subscription to a new loan for all completed half-years should be paid at the treasury if the promissory notes are enfaced for payment of interest at the treasury concerned or at a sub-treasury subordinate to it. After payment of arrear interest the promissory notes should be removed from the register of enfaced notes.

If, however, a promissory note so tendered is under a notice of stoppage, or is not entered in the register of

[Paras. 84-86]

PROCEDURE IN CONNECTION WITH THE  
ISSUE OF NEW LOANS OF THE CENTRAL  
GOVERNMENT

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enfaced notes (Form 9) maintained at that treasury, no interest should be paid. In such cases the Public Debt Office will deal with the application.

**85. Statements and returns to be sent by Treasury Officers with applications.**—All applications received at a treasury should be numbered serially in the order of their receipt and the applicants should be given receipts therefor in Form 32. The applications should then be entered serially in a list in Form 33, "List of Applications". The date of credit in the treasury accounts of amounts received in cash or by a cheque on a local bank should be filled in in the relevant column of this List. The particulars of the securities tendered, if any, should be entered in Form 34, "Register of Securities", separate sheets being used for promissory notes, stock certificates and bearer bonds, and the serial numbers assigned to them in this Form should be noted in the relevant column of the List in Form 33.

The original applications with the list in Form 33 and the securities tendered, if any, together with a copy of the Register in Form 34, should be sent daily, by registered post, to the Public Debt Office in whose jurisdiction the treasury is situated, the cover being marked conspicuously in red ink "Applications for the new loan". When securities or cheques are included, the cover should be insured for a nominal sum of Rs 100.

**86. Procedure for dealing with applications at the Public Debt Office.**—On receipt of the applications, the Public Debt Office will sort them into two categories—(a) applications for issue of stock certificates, (b) applications for promissory notes of the new loan. The applications and securities, if any, tendered for conversion should thereafter be re-examined to ensure that instructions laid down in previous paragraphs have been followed by the



## CHAPTER VIII

## PROCEDURE FOR REPAYMENT OF TERMINABLE LOANS

**89. Place of payment.**—The Central Government are legally liable to repay the principal of their terminable loans only at the “ General Treasury at Fort William ”, that is to say, at the office of the Reserve Bank of India at Calcutta, but for the convenience of the holders of these loans arrangements are also made to repay the principal either at a Public Debt Office or at the treasury or sub-treasury where interest is payable. The subsequent paragraphs of this chapter describe the procedure which should be followed in paying the principal of any loan when it falls due, but Treasury Officers and Sub-Treasury Officers should take no action to repay the principal of any security of any loan until they have received special instructions to that effect from the Public Debt Office, Calcutta. On receipt of such instructions, Treasury Officers will note in the Registers in Forms 5 and 9 the date on which the loan will be redeemed and draw a line in red ink after the relevant column for recording payment of interest citing the number and date of the circular letter. Treasury Officers will also instruct Sub-Treasury Officers to take similar action.

NOTE —At places where interest on stock certificates is paid at an office of the Reserve Bank of India or a branch of the Imperial Bank of India, the principal of the stock certificates is repaid direct at the Bank. In such cases the Bank will follow *mutatis mutandis* the procedure prescribed in this Chapter for Treasury Officers.

**90. No payment at treasuries on stopped securities.**

—No payment should be made on a Government promissory note which has been stopped either temporarily or permanently in the manner described in paragraph 44

## Paras. 90-91] PROCEDURE FOR REPAYMENT OF TERMIN- ABLE LOANS

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Any security which is shown on the consolidated list prepared by the Public Debt Office, Calcutta, in terms of clause (5) of the paragraph quoted above, should be considered as stopped even though it may not be shown as such in the Register in Form 9, and if interest on it is payable at a sub-treasury, intimation should be sent to the Sub-Treasury Officer concerned immediately. Stop notices may also be received in connection with bearer bonds or stock certificates. They should be entered in the Register of bearer bonds (Form 5), or in the last advices of issue of stock interest warrants payable in the district received from the Public Debt Office in accordance with paragraph 31. Whenever any security which is included in the list of stopped securities, is presented at the treasury for payment of the principal, the Treasury Officer should follow the procedure indicated in clause (2) of paragraph 44.

NOTE —Notice of stoppage in respect of stock certificates will be sent to the branches of the Imperial Bank of India or the offices of the Reserve Bank of India where interest is payable.

### *Bearer Bonds*

91. The principal of bearer bonds will be payable either at the treasury or sub-treasury at which they are registered for payment of interest or at the Public Debt Office in whose books they stand. When any such bonds are tendered for payment at the treasury or sub-treasury at which they are registered for payment of interest the Treasury or the Sub-Treasury Officer should make payment of the principal (and premium, if any), and also of the unpaid coupons, which have fallen due, if any, irrespective of the amount of the bond. No receipt need be taken from the presenter, the bonds being payable to the bearer without regard to any endorsement that may appear thereon. After payment the bonds and the coupons should be

stamped "Paid immediately, the date of payment being noted thereon. The bonds should then be removed from the register of bearer bonds (Form 5) maintained at the treasury.

### *Stock Certificates*

92. Each Public Debt Office will issue, along with the last interest warrants due on the loan, an intimation that no further interest warrant will be issued and that the principal will be repaid on surrender of the stock certificate either at a Public Debt Office or at the office of the Reserve Bank of India, the branch of the Imperial Bank of India the treasury sub-treasury or post office at which the interest warrant is payable. Payment of principal should be made on the surrender of the stock certificate at the place specified above. The surrender of the certificate must be insisted on in every case, and should the owner of the stock have lost his certificate, he must obtain a duplicate from the Public Debt Office before discharge of the security. In such a case, payment should be made on the duplicate and not on the original certificate, unless the stop recorded against it on receipt of the report of the loss has been formally withdrawn by the Public Debt Office, Calcutta. Before payment, a discharge receipt should be taken on the certificate itself which should read as "Received the principal (and premium, if any), due on the certificate." The signature to this receipt must be of the person entitled to sign a similar receipt under paragraph 81 (a) the conditions as well as the relaxations referred to therein being applicable in this case also. The stock certificates should be stamped, "paid" at the time of payment, the date of payment being noted thereon.

NOTE —A discharge should be accepted at a sub-treasury only when signed by the registered holder himself. All other cases should be referred by the Sub-Treasury Officer to the Treasury Officer.



**Paras. 93-94]      PROCEDURE FOR REPAYMENT OF TERMIN-  
ABLE LOANS**

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*Promissory notes*

93. The principal of promissory notes will be paid at any Public Debt Office, or at the treasury or sub-treasury where interest thereon is payable. In making payment Treasury Officers and Sub-Treasury Officers should observe the following rules —

On presentation of a promissory note at a sub-treasury for discharge, a Sub-Treasury Officer may make payment without any limit of amount, only

- (i) if the applicant is the person in whose name the note was originally issued, *i e*, if the applicant is the person whose name appears on the face of the note and there are no transferring endorsements on its back, or
- (ii) if he is the person to whom the Controller of the Currency, an Accounts Officer, Posts and Telegraphs, or an officer of the Reserve Bank of India has endorsed the note,

Cases in which these conditions are not fulfilled, or in which the examination of any documents regarding the power of the signatory of the receipt for discharge given on behalf of a Bank, a Body Corporate, Firm, etc., is involved should be referred before payment by the Sub-Treasury Officer to the Treasury Officer, the notes being sent uncut and insured for Rs 100

94. When a promissory note is received at a treasury for discharge, whether from a Sub-Treasury Officer subordinate to him, under paragraph 93 or direct from an applicant, the Treasury Officer should deal with it in the manner indicated below —

- (a) When any of the conditions mentioned in paragraph 93 above is fulfilled, the Treasury Officer may pay the discharge value of the note without any limit as to amount even if the

PROCEDURE FOR REPAYMENT OF TERMIN-  
ABLE LOANS

[Para. 94]

applicant is not the holder himself of the note but his legal representative, or his duly authorised agent

NOTE —For purposes of this clause the word, "person" occurring in paragraph 93 should be understood to include an individual, Bank, Company, Body Corporate, Firm or Society and the holder of an office mentioned in Appendix III singly or jointly

(b) In other cases, a Treasury Officer may make payment of a note on his own authority only when, subject to the explanation given in note (2) below, the following conditions are *all* fulfilled —

- (i) the face value of the securities of the particular loan presented by the holder does not in the aggregate exceed Rs 5,000,
  - (ii) the applicant is an individual in whose name the note stands last endorsed or the legal representative in interest of such holder or his duly authorised agent,
  - (iii) the chain of endorsements is in order,
  - (iv) the endorsements are all by names and not by office, and
  - (v) the holders have all been single individuals
- (c) Cases which are not completely covered by either clause (a) or clause (b) above should be referred, before payment, to the Public Debt Office in whose jurisdiction the treasury is situated, the notes being forwarded uncut and insured for Rs 100

NOTE 1 —Conditions (iv) and (v) above are not fulfilled in cases such as the following —

- (1) when an endorsement is in favour of a corporate body such, for example, as a district board or a port trust,
- (2) when an endorsement is in favour of a firm or society

## Paras. 94-96] PROCEDURE FOR REPAYMENT OF TERMINABLE LOANS

NOTE 2 —Conditions (iv) and (v) should, however, be deemed to have been fulfilled if there is at some stage, an endorsement on the back of the note by one of the officers named in condition (ii) of paragraph 93 and such endorsement, and all the subsequent endorsements fulfil all the conditions prescribed above, that is to say, in such a case, the Treasury Officer should altogether ignore the endorsements preceding such an endorsement, as the case may be, and need not see whether the above conditions have been fulfilled in the case of the earlier endorsements

95. (a) Before making payment of the principal of a promissory note, a Treasury Officer should see that the conditions laid down in paragraph 41 for payment of interest are satisfied. The Treasury Officer or the Sub-Treasury Officer, as the case may be, should also see that the note bears a discharge receipt validly given. The receipt, which must be on the note itself, should read "Received the principal of (and the premium, if any, on) the note", or words conveying the same meaning and the signature below this receipt should be of the person entitled to sign a similar receipt under paragraphs 49 to 52, the conditions as well as the relaxations prescribed in those paragraphs being applicable in this case also

(b) The promissory notes discharged should be stamped "Paid" at the time of payment, the date of payment being noted thereon, and simultaneously removed from the "Register of Promissory Notes" (Form 9)

### *General*

96. **Relaxation of formalities.**—The following relaxations of the usual formalities should be observed where the nominal value of securities including those presented for repayment, standing in the name of an individual does not in the aggregate exceed Rs 5,000 —

(a) When the owner is a minor or a lunatic, the discharge of the father or if the father be dead,

of the mother, may be accepted without question, so long as the officer paying the principal is satisfied as to the identity of the father or mother, either from personal knowledge or from a certificate of identity signed by a magistrate. If the person discharging the scrip on behalf of the minor or lunatic is neither father nor mother, the certificate of the District Magistrate, to the effect that such person is the actual guardian of the minor or lunatic, should be accepted.

- (b) When the last endorsee (or in the case of stock the person named in the stock certificate) is dead, the discharge should be accepted of the person certified by the District Magistrate to be the actual heir of the deceased, or entitled to administer the latter's estate.

In either case the fact of the production of the magistrate's certificate should be noted on the back of the securities tendered over the Treasury Officer's signature. All certificates so produced should be retained by the Treasury Officer and filed. In cases where the discharge of the father or mother of a minor or lunatic is accepted without production of a certificate, the fact of such relationship should be certified by the Treasury Officer on the back of the scrip.

NOTE.—In this paragraph District Magistrate has the meaning given in the explanation to Section 13 of the Indian Securities Act (*vide* Appendix I)

**97. Discharge by illiterate persons, etc.**—(a) In the case of illiterate persons the manner of discharge is provided for in Rule 39 of the Rules under the Securities Act (*vide* Appendix II). In such cases the receipt for discharge should be signed by a magistrate (the Treasury or

**Para. 971****PROCEDURE FOR REPAYMENT OF TERMIN-  
ABLE LOANS**

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Sub-Treasury Officer may sign it if he is a magistrate) on behalf of and in the presence of the holder, and a certificate should be given by the magistrate below his signature to the effect that the receipt for discharge was signed by him at the request of the holder after having been previously read over to the latter and that he is satisfied that the effect of such discharge is fully understood by the holder

(b) The provisions in Rule 39 *ibid*, however, do not exclude the acceptance of the discharge effected in the manner admissible under the general law Accordingly, the signature by thumb impressions or marks affixed in presence of or verified by a magistrate under his office seal or a Justice of the Peace in the manner laid down in the concluding portion of the first sub-paragraph of paragraph 58 should be accepted

(c) The discharge in vernacular by Indian ladies should be verified or authenticated in the manner laid down in paragraph 58

SECURITIES HELD BY GOVERNMENT OFFICERS AND NOTES DEPOSITED FOR SAFE CUSTODY AT TREASURIES [Paras. 98-99]

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## CHAPTER IX

### SECURITIES HELD BY GOVERNMENT OFFICERS IN THEIR OFFICIAL CAPACITIES AND DEPOSIT OF PROMISSORY NOTES FOR SAFE CUSTODY AT TREASURIES

**98. Scope of the rules.**—Securities are frequently held by Government officers, either as security for the performance of some contract, or in trust for some public or *quasi*-public purpose, or on behalf of Government, or in safe custody on behalf of members of the public. In all cases (subject to the exceptions mentioned below) securities held by an officer serving under the Central Government must be dealt with in accordance with the rules in this chapter. In no case may bearer bonds be so held

*Exceptions —*

- (1) Securities deposited in the Indore Residency treasury by Indian Chiefs of Central India
- (2) Securities deposited with a Controller of Military Accounts by a Bank as security for the amount of regimental funds held by the Bank

**99. (a)** Subject to the exceptions noted below, securities held by officers under the administrative control of the Provincial Governments of the Governors' provinces will also be dealt with in accordance with the rules in this chapter unless any such Government otherwise directs or makes a separate arrangement in respect of the securities held by such officers

*Exceptions —*

- (1) Securities deposited with a Bishop or Archdeacon.
- (2) Securities deposited with Administrators General

**Paras. 99-101] SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES**

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(b) Securities deposited with a High Court are not dealt with in accordance with the rules in this chapter unless the Court so directs

(c) Securities held by Municipalities, Port Trusts and other public corporations may at their discretion be deposited with the Reserve Bank of India and dealt with under the rules in this chapter

**100.** It is of great importance that a Government officer should not receive or in any way deal with a promissory note in his official capacity if the title of the presenter, depositor or any other person from whom it is received, is not absolutely clear or is in any way defective. Before therefore accepting such a note, he should carefully scrutinise the endorsements on it in the light of the instructions given in Chapter V. If he has reason to think that any of the endorsements (*i.e.*, not only the last endorsement) is irregular, or, if, for any other reason, he is not satisfied as to the title of the person presenting a note, he should refuse to accept it and should instruct the presenter to get it renewed by the Public Debt Office.

**101. Notes deposited for five years or more.**—When promissory notes are to be deposited with a Government officer for five years or more and the depositor desires to draw interest on them during the period of the deposit, the latter should be required to draw all interest due on them at the time and to endorse them as follows —

(a) If the officer with whom the notes are to be deposited is in the Posts and Telegraphs Department—"Pay to the Accountant General, Posts and Telegraphs." The officer will then forward them uncut and insured of the value of Rs 100 for safe custody to the Accountant General, Posts and Telegraphs.

SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

[Para. 101

(b) In other cases—

- (1) If the officer with whom the notes are to be deposited wishes to keep them in his own custody, the depositor should be asked to endorse them in his favour, or, if he is not authorised to hold securities by the name of his office under section 6 (1) of the Indian Securities Act, X of 1920, in favour of such officer as is so authorised. The notes should then for the purpose of conversion into stock certificate be endorsed in favour of the Governor General in Council by the officer in whose favour the securities have been thus endorsed and sent to the nearest Public Debt Office or to the treasury on which they have been encased for payment of interest, in the manner laid down in paragraph 16

NOTE —A list of officers entitled to hold securities by the name of their office under Section 6 (1) of the Indian Securities Act, X of 1920, is given in Appendix III

- (11) If the officer with whom the notes are to be deposited wishes to entrust them to the Reserve Bank of India for safe custody, he should ask the depositor to endorse them in favour of the Bank as follows, " Pay to the Reserve Bank of India " When he receives the notes so endorsed, he will forward them uncut and insured as of the value of Rs 100 for custody to the officer mentioned below together with a covering list in duplicate in Form 18 —

- (a) If the officer is stationed in the Bombay Presidency, Sind or the Central Provinces and



**Paras. 101-102] SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES**

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Berar—Manager, Reserve Bank of India,  
Bombay

(b) If the officer is stationed in the Madras  
Presidency—Manager, Reserve Bank of  
India, Madras

(c) If the officer is stationed in the Punjab,  
United Provinces, Bengal, Bihar, Orissa,  
Assam, or North-West Frontier Province  
or is under the audit of the Account-  
ant General, Central Revenues—Manager,  
Reserve Bank of India, Calcutta

**NOTE 1** —Officers serving under the Central Government have the option of keeping the securities with them in their own custody as described in clause (1) or entrusting them to the Reserve Bank of India for safe custody as described in clause (11). Officers under the administrative control of the Provincial Governments must send the securities held by them to the Reserve Bank of India for safe custody unless any such Government directs otherwise in a particular case.

**NOTE 2** —If the officer is in the Naval or the Military Department, the notes should be sent to the Reserve Bank of India through the Controller of Naval Accounts, Bombay, or the Controller of Military Accounts, as the case may be, similarly in the case of notes deposited by employees of a State Railway, they should be sent through the Chief Accounts Officer of the Railway.

**102.** The notes received in accordance with paragraph 101 (b) (1) will be converted into stock certificate and interest thereon will be paid by the Public Debt Office in whose books the certificate is registered in the manner described in paragraph 30. On receipt of the interest warrants the amount should be distributed among the depositors. In cases in which the stock is registered in the name of an officer other than the officer with whom the securities were originally deposited owing to the latter not being authorised to hold securities by the name of his office

SECURITIES HELD BY GOVERNMENT [Paras. 102-104]  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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the former will make the interest warrant payable to the latter who will make the distribution to the respective depositors

**103.** The interest falling due on securities in the safe custody of the Reserve Bank of India will be remitted by the Bank after deducting income-tax and surcharge to the officers with whom the securities were originally pledged for distribution to the pledgers, by means of Government Drafts in lieu of Remittance Transfer Receipts, if the officers are stationed at a place where there is an office of the Reserve Bank of India or a branch of the Imperial Bank of India and by Security Deposits Interest Payment Drafts on treasuries in other cases

Although there is no time limit for the currency of Government Drafts it is very desirable that the depositors should be asked to present them for payment as soon as possible to avoid any amount being left outstanding after one month from the date of issue of the drafts. Interest Payment Drafts are current for six months, if any such draft is presented for payment after that period, the presenter should be advised to have the draft revalidated by the office of issue

NOTE —When notes are received by the Reserve Bank of India from Accounts Officers, interest falling due thereon will be remitted as above without deduction of income-tax to the Accounts Officer concerned by whom it will be distributed (after deducting the proper income-tax and surcharge) by payment orders among the depositors. The Accounts Officers, while deducting income-tax, will grant a certificate as nearly as may be in Form 30 of the Manual. Any Exemption or Abatement Certificates granted by Income-tax Officers in respect of securities deposited with Accounts Officers should be retained and dealt with by them

**104.** Under the provisions of the Indian Income-tax Act, income-tax (and surcharge) at the maximum rate will be deducted from the interest paid on securities

**Paras. 104-105] SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES**

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entrusted for safe custody under the foregoing paragraphs. If any depositor is entitled to exemption or abatement of the tax, he should be asked to obtain a certificate to that effect from the Income-tax authorities and furnish the same to the officer with whom the relative securities were originally pledged. On receipt of such an exemption or abatement certificate, the officer mentioned in paragraph 101 (b) (11) should forward it immediately to the office of the Reserve Bank of India concerned and the officer mentioned in paragraph 101 (b) (1) to the Public Debt Office. The Public Debt Office will act on such an exemption or abatement certificate even if the relative securities have been transferred and stock certificates issued in favour of the administrative officer in terms of paragraph 102, provided, the particulars of the stock certificates concerned in respect of which the exemption is required are disclosed in the forwarding letter.

**105.** If the securities held in the form of stock are required to be returned or sold, the officer in whose name the stock is held should in the first instance have the stock certificate converted into promissory notes in the manner prescribed in paragraph 14. Thereafter on receipt of the promissory notes he should endorse them in the name of the depositor to whom they are to be returned, or, if they are to be sold, he should send them to the respective office of the Reserve Bank of India duly endorsed in favour of the Bank. The Bank will thereafter arrange for the sale and remittance of the sale proceeds.

**NOTE**—The form of endorsement on the reverse of the stock certificate which is to be filled in by the officer for conversion into promissory notes in terms of paragraph 14 should disclose the number of pieces and denominations of promissory notes required and the value of the stock certificate to be issued for the balance, if any, of the security tendered for conversion.

SECURITIES HELD BY GOVERNMENT [Paras. 106-107  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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**106.** If the securities entrusted to the Reserve Bank of India for safe custody are required for return to the depositor or for sale, the office of the Bank holding the securities will, on application of the officer who forwarded them, arrange for the return or sale. The Bank, save where orders have been received by it from the Central or a Provincial Government that the securities pertaining to any endowment are not to be sold or given up without the orders of the Government, will act purely as the agent of the officers from whom it received the securities, the latter are responsible for the sale, realisation or return of the securities in accordance with the conditions of the endowment.

**NOTE 1** —It will be observed that when a note is returned, it may not be the identical note which was sent for custody, but only another note of the same loan or of the loan into which the original note was transferred.

**NOTE 2** —An officer applying for the delivery of a note should always specify at what treasury or sub-treasury he wishes it to be encased for payment of interest.

**NOTE 3** —If a depositor desires that the securities to be returned to him should be in the form of a stock certificate, the Public Debt Office or the office of the Reserve Bank of India concerned will arrange for the issue of the stock.

**107.** Notes deposited for more than twelve months and less than five years.—(a) When promissory notes are to be deposited with a Government officer for more than twelve months but less than five years and the depositor desires to draw the interest on them during the period of the deposit, the latter should be required to endorse them in favour of the Accountant General, Posts and Telegraphs, if the Government Officer is in the Posts and Telegraphs department and in favour of the Treasury Officer of the nearest treasury in all other cases. The Government

**Paras. 107-108] SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES**

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officer receiving the deposit will then forward the notes to the office of the Deputy Accountant General, Posts and Telegraphs, Calcutta or to the treasury as the case may be

(b) On receipt of the promissory notes from a Government officer in accordance with sub-paragraph (a), the Treasury Officer will follow the procedure laid down in paragraphs 115 to 117 in connection with the deposit of notes by the public for safe custody, except that he will release the promissory notes from safe custody only at the request of the Government officer who sent them for deposit and will obtain that officer's receipt for them when they are delivered to him

NOTE.—In the towns of Calcutta, Bombay and Madras such notes will, however, be received for custody at the offices of the Reserve Bank of India at these places, who will deal with them in the same manner as notes received under paragraph 101 (b) (ii)

**108. Notes deposited for twelve months or less.—(a)** When promissory notes are to be deposited with a Government officer for twelve months or less or when they are deposited for any period exceeding twelve months but a depositor does not desire to draw any interest during the period of the deposit, they will remain in the name of the depositor and should not be endorsed by him to any Government officer. The Government officer receiving the deposit will see that the notes stand in the name of the depositor and that the contract or other document executed by the depositor conveys authority to Government to appropriate or cancel the notes if the contract is not fulfilled. After satisfying himself on these points the Government officer receiving the notes for deposit will lodge the notes for safe custody at the nearest treasury, except in the towns of Calcutta, Bombay and Madras where the notes will be lodged with the local office of the Reserve Bank of India.

SECURITIES HELD BY GOVERNMENT [Paras. 108-110  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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If however the officer accepting the deposit is in the Posts and Telegraphs Department, he should lodge the notes with the Deputy Accountant General, Posts and Telegraphs, Calcutta. The depositor may be allowed, in exceptional circumstances, to draw the interest on the notes by tendering receipts in the usual form countersigned by the officer with whom he deposited them.

(b) If the promissory notes so deposited at a treasury are forfeited for failure of contract, they should be forwarded, insured as of the value of Rs 100, to the Office of the Reserve Bank of India under whose jurisdiction the officer is stationed as indicated in paragraph 101 (b) (11) (a), (b) and (c). The Reserve Bank of India will thereafter arrange for the renewal of the notes in favour of the Government officer concerned if he is authorised to hold securities by the name of his office under Section 6 (1) of the Indian Securities Act, otherwise in favour of such officer of the Department as is so authorised. The Bank will also arrange for the sale of the renewed notes if so desired. The sale proceeds will be remitted by drafts payable to the Government officer concerned.

109. (a) Notes received in a treasury for safe custody under the preceding article must at once be entered in a register in Form 19 but no record need be made in it of interest payments.

(b) A receipt should be given for all notes so deposited in the same form as the register, the column giving particulars of the return being omitted. The receipt should be reclaimed when the notes are returned.

(c) The return of a note should be noted at once in the register in the column provided for the purpose.

110. Sale or purchase.—(a) If it is desired to sell a security held in safe custody of a Treasury Officer in terms

**Para. 110]**

SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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of paragraphs 107 and 108, the Government officer who forwarded it should proceed in the manner indicated in paragraph 105

(b) When a Government officer desires to purchase a security on account of any fund which he holds in trust, he should remit to the office of the Reserve Bank of India in the jurisdiction of which he is stationed, a sum equivalent to the market value of the security which he wishes to purchase *plus* 5 per cent to cover any payment that may be necessary on account of the interest due on the security and other incidental charges. If the officer is stationed in the mofussil the remittance should be made by means of a Remittance Transfer Receipt to be obtained from the Treasury, or, if the Government treasury business at the place is conducted by a branch of the Imperial Bank of India by a draft from that Bank, payable to the Reserve Bank of India. He should also send an application for the purchase of the security to the office of the Reserve Bank of India concerned. On receipt of the remittance and the application, the Reserve Bank will effect the transaction and furnish to the Government officer an account thereof, a payment draft for the balance if any, and either a safe custody receipt in respect of the security or the security itself according as the security is desired to be retained or returned to the Government officer.

NOTE 1 —An officer applying for the purchase of a security should always specify the loan to which the security desired to be purchased will appertain.

NOTE 2 —When a security deposit is held in the Post Office Savings Bank, the officer to whom the Savings Bank pass book is pledged may, if the depositor so desires, invest the amount of the deposit in Government securities through the Accountant General, Posts and Telegraphs. If desired, the notes after purchase may also be kept in the custody of the Accountant

SECURITIES HELD BY GOVERNMENT [Paras. 110-112]  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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General, Posts and Telegraphs, in the name of the pledgee and interest on them credited to the depositor's Savings Bank account.

**111. Commission.**—In addition to any actual outlay on brokerage, a commission of one-eighth per cent is charged by the Reserve Bank for the purchase and sale of promissory notes. A commission of annas two on every sum of Rs 50 or part thereof subject to a minimum charge of annas four for drawing and remitting the interest on securities held by the Reserve Bank of India, is also charged by that Bank, provided that this rate shall not apply to reduce any amount payable below Rs 10.

NOTE 1—Security deposits of Government servants will be exempt from the commission charged by the Reserve Bank for drawing and remitting interest.

NOTE 2—Security deposits of Banks holding regimental funds under Financial Department Resolution No 3956-A, dated the 22nd July 1902 are exempt from commission for drawing interest.

NOTE 3—Such exemption will also apply to investments made through the Post Office Savings Bank referred to in paragraph 110 (Note 2).

**112. Publication of Accounts.**—The offices of the Reserve Bank of India which accept notes for safe custody in terms of paragraph 101 (b) (ii) are required to publish at the end of each calendar year a list of the notes in their respective custody, showing the names of the depositors, the Government officers through whom the deposits were received and the amount of securities distributed by loans, held on account of each depositor. Every Government officer with whom a note has been deposited *ex-officio* should watch for this publication, and bring to notice any omission or error with which he is concerned. If no discrepancy is pointed out by such an officer within a reasonable time, it will be assumed that, so far as he is concerned, he has



**Paras. 112-114] SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES**

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accepted the list as correct. These lists will be made up in Form 20 and published as soon after January 1st of each year as they can be made up.

**113. Municipal Debentures and Port Trust Bonds.**—Municipal Debentures and Port Trust Bonds deposited with a Government officer *ex-officio* will also be dealt with in exactly the same way as the Government securities so deposited are required to be dealt with under the rules in the foregoing paragraphs of this Chapter.

**114. Investments by public officers.**—Investment in securities of funds held in trust by public officers for some public or *quasi*-public purpose or on behalf of Government will be regulated by the following rules —

- (I) Subject to the exception referred to in Rule III, all investments in securities of trust funds held by a Government officer for a public or *quasi*-public purpose, such as the maintenance of a dispensary, school or the like, shall be made in promissory notes only, and, if a security in some other form comes into the possession of any Government officer in virtue of his office to be held in trust for such purposes, it shall be converted into promissory notes.
- (II) All trusts for such purposes as those indicated in Rule I shall, subject to the exception stated in Rule III, stand in two names and instead of the personal name of an officer of Government, his official designation shall, if possible, be employed. All securities held under such trusts will, subject to the same exception, be dealt with in accordance with paragraphs 101 and 102 above. The Provincial Government will declare what trusts represent permanent endowments and will issue orders to the office of

SECURITIES HELD BY GOVERNMENT [Paras. 114-115]  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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the Reserve Bank of India concerned that securities appertaining to such permanent endowments are not to be sold or given up without the orders of Government. The Provincial Government will also, in the case of any trust standing in the name of one officer only, issue instructions declaring what second officer should be associated in the trust.

- (III) If in any case the orders prescribed in Rules I and II cannot be carried out owing to any legal or other difficulty or if, in any case, it is not considered desirable to carry them out, the facts of the case should be reported to the Provincial Government, and the Provincial Government will then, by special orders, make such arrangements as may be necessary to protect the interests of Government as well as to secure the safety of the trust funds or securities.

**115. Notes deposited by the public for safe custody with Treasury Officers.**—(a) Holders of promissory notes may, if they so desire, deposit them at a treasury for safe custody. Such notes should be enfaced for payment of interest at that treasury and should be endorsed by the holder in favour of the Treasury Officer. All arrear interest due on the notes should be drawn before the notes are tendered at the treasury.

NOTE—This facility will not be allowed in the Presidency towns or in districts in the headquarters of which there is either an office of the Reserve Bank of India or a branch of the Imperial Bank of India acting for the time being as the agent of the Reserve Bank of India.

(b) Application for such deposits should be made by the holder in the prescribed form (Form 21) which should

**Para. 115]**

SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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be kept in stock at all district treasuries and sub-treasuries and should be distributed freely to applicants

(c) On receipt of an application with securities at the treasury, the application should be carefully checked to see that the details entered therein agree with those of the promissory notes tendered for safe custody. The notes should be examined to see that the applicant is either their original holder or one who derives his title to them by a regular and valid chain of endorsements (*vide* Chapter V) and that they have been duly endorsed by him in favour of the Treasury Officer. If the application is found to be in order and the notes are free from any defects, the former should be registered and the latter accepted for deposit, an acknowledgment of their receipt in the prescribed form (Form 22) being granted to the applicant. If the notes are in any way defective or the applicant's title is not free from doubt, they should be returned to the applicant who should be asked to get the defects or the irregularities removed or, if the defects are such as to require the renewal of the notes, to have them renewed.

(d) A register of receipts and disposals of notes held in safe custody should be maintained at each treasury in Form 25 and the necessary entries in this register should first be completed before the acknowledgment receipt referred to in the preceding clause is granted by the Treasury Officer. This register should be balanced monthly.

(e) The receipts and issues in the register of receipts and disposals should be posted in a ledger in Form 23 in which a separate account will be opened on behalf of each individual depositor. A balance should be struck in the ledger after each transaction. The balances at the credit of the several depositors at the end of the month should be

SECURITIES HELD BY GOVERNMENT [Paras. 115-117]  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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extracted in a balance-sheet in details of loans and the total of all these should be agreed with the net total as worked out in the register of receipts and disposals. This agreement should be verified by the Treasury Officer himself and should bear his initials with date.

**116. Return of notes held in safe custody with Treasury Officers.**—(a) When it is desired to withdraw notes held in safe custody, the holder should submit an application in the prescribed form (Form 24) enclosing the original receipt of acknowledgment granted by the Treasury Officer.

(b) On receipt at the treasury, the application should be checked with the accompanying acknowledgment receipt and with the corresponding entries in the ledger account. Entries should then be made in the issue side of the register of receipts and disposals (Form 25) and the date of return of the securities noted in column 11 of that register against the original entries on the receipt side. The notes should be endorsed by the Treasury Officer in favour of the depositor.

NOTE (1) —When promissory notes are wanted back by a depositor through the post, the prescribed form (Form 28 in foil and counterfoil) should be used. The notes should be sent uncut and insured as of the value of Rs 100, the charges for registration and insurance being borne by Government. When, however, delivery is taken direct at the treasury, an acknowledgment of the return of the notes should be given on the back of the original acknowledgment receipt in the following form —

“Received back the securities specified on the reverse”

NOTE (11) —When the interest clogs on such notes are exhausted the Treasury Officer will forward them to the Public Debt Office for renewal, the renewal endorsement being made by him. No fee will be charged by the Public Debt Office for such renewal.

**117. Realisation of interest on notes deposited for safe custody.**—Interest on promissory notes held in safe

## Para. 117]

SECURITIES HELD BY GOVERNMENT  
OFFICERS AND NOTES DEPOSITED FOR  
SAFE CUSTODY AT TREASURIES

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custody at the treasury should be drawn, when required for payment to the depositor, on receipts in Form IV (Appendix II) under the signature of the Treasury Officer. In the case of depositors having a Personal Ledger Account at the treasury, such as Wards Estates, etc., interest should, however, be drawn on the due date and credited to such account.

If a depositor has no Personal Ledger Account, interest will be paid in cash, or, if he so desires, by the issue of a cash order on a sub-treasury, or it may be remitted to him by money order after deduction of the money order commission from the interest due.

A register should be maintained in Form 26 for the record of the particulars of each transaction. Columns 1-11 should be filled in before the interest is drawn, column 12 at the time when the payment is made, and column 14 when the payee's acknowledgment is received. The acknowledgments should be filed at the treasury in serial order and should be available for inspection by the Inspecting Officers.

NOTE —The payment of interest under this paragraph will be subject, as regards deduction of income-tax, to the terms and conditions prescribed in paragraph 104.

## CHAPTER X

## MISCELLANEOUS

*Sale or transfer of stock*

118. (a) All sales or transfers of stock must be made in even hundreds of rupees and by a transfer deed to be executed by the registered holder, or his duly constituted attorney, and registered in the books of the Public Debt Office concerned. Such transfers are exempt from stamp duty. A blank form of deed of transfer is printed on the back of each stock certificate issued and forms are also kept at all Public Debt Offices for free distribution to applicants. Forms of special powers of attorney for effecting sales or transfers of stock can be obtained free of charge from any Public Debt Office either direct or through any Treasury Officer.

(b) When it is desired to effect a sale or transfer of a stock certificate, the original certificate, together with a deed of transfer duly completed, must be lodged at the Public Debt Office on whose books the stock is registered. When this has been done and when the transfer has been duly registered, the transferee will receive a new certificate. The Public Debt Office may, in cases in which this is considered necessary, require the verification of the transferor's signature before a Treasury Officer or other responsible officer of Government qualified to take and record evidence.

(c) In cases where only a portion of the stock is transferred, the purchaser will receive a certificate for an amount corresponding to the portion transferred, and a new certificate for the balance will be issued to the transferor.

(d) On application to the Public Debt Office, the holder or transferee of a stock certificate may be described on the certificate and in the registers of the Public Debt Office as a trustee in relation to that stock certificate, either as a trustee of a specified trust or as a trustee without any such qualification. Similarly, the holder of an office other than a public office may be entered in the books of the Public Debt Office as the proprietor of stock certificate by the name of his office without mention of his personal name. Thus, the Secretary of a school or dispensary, the Shebait of a deity or the Manager of a temple may be allowed to hold a stock certificate in the name of his office. Promissory notes cannot be held in the capacity of a trustee or by the name of an office other than a public office enumerated in Appendix III. The advantage of the above arrangement is that in the event of a change of the incumbent of the office, the holder of the office for the time being is able to deal with the stock certificate so held without any difficulty.

119. When a registered holder of stock dies, the Public Debt Office will ordinarily require probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act (XXXIX of 1925), before registering the name of his heir in his place. If, however, the nominal or face value of the Government securities, other than bearer bonds, held by the deceased does not in the aggregate exceed Rs 5,000, section 19 of the Indian Securities Act (*vide* Appendix I) lays down a summary procedure by which his heir can have his name registered without going to the expense and trouble of obtaining any one of the above documents. Application for the registration of the name of the heir under this section should be made six months after the death of the registered holder and should be supported by a certificate in the following form, signed by the District Magistrate having jurisdiction in the place where interest

on the stock is payable, or, if interest is payable at a Presidency town or at a place in a State in India, by the Chief Presidency Magistrate or the Political Agent concerned, when the applicant's claim will be recognised —

“ Certified that———(the applicant[s]) is (are) the only legal heir(s) of the deceased———the last holder of stock certificate(s) No (s)———of the———per cent loan of———for Rs ———who died on the———.”

“ The total holding of the deceased in Government securities in the form of stock certificates and promissory notes at the time of his death did not exceed Rs 5,000 face value ”

NOTE—In the case of a deceased stock holder belonging to a Hindu undivided family governed by the Mitakshara law, a certificate in terms of paragraph 66 (a) may be accepted and acted upon

### *Consolidation and subdivision of securities*

**120.** Securities of the same loan, on which interest has been paid up to the same date, may be consolidated into a smaller number of securities subject to the condition that, in the case of stock certificates and promissory notes, the new securities will be in multiples of hundred rupees only and in the case of bearer bonds will be for the denominations in which these bonds are issued, namely, Rs 100, Rs 500, Rs 1,000, Rs 5,000 and Rs 25,000 Subject to the same conditions, a security may also be subdivided into two or more securities of smaller value In every case the Treasury Officer should grant a receipt in Form 17 for the securities presented for consolidation or subdivision and should watch their disposal by entering them in a register in Form 2 Stock certificates presented for consolidation or subdivision should be endorsed by the holder in Form II or III (in Appendix II), as the case may be Promissory notes should be endorsed in Form VII or VIII (in Appendix II), as the case may be No endorsement is required on bearer bonds The fee charged will be the same as that prescribed in paragraph 69 for renewals



*Non-transferable deposit receipts*

**121.** When a promissory note is the property of a minor or a lunatic the powers of whose guardian are limited to the drawal of interest, or belongs to an estate in which administration is limited to interest, the Public Debt Office, upon such note being deposited with it, will arrange for the payment of interest at any treasury or sub-treasury by warrants issued as interest falls due, payable to the guardian or administrator. The Public Debt Office will give a deposit receipt for the promissory note. A deposit receipt is not transferable by endorsement and delivery. On the minor attaining majority, the lunatic being declared sane or the guardian or the administrator being given full powers to deal with the note, the Public Debt Office will, on the surrender of the receipt issue an ordinary promissory note which will be negotiable in the usual way.

**NOTE**—Cases in which the powers of the holder of a promissory note, or of the heir of a deceased holder of such a note, are limited to the drawal of interest, either in pursuance of an order of a Court of law or otherwise, will also be governed by the rule in this paragraph.

*Issue of duplicates of securities that have been lost, stolen or destroyed*

**122.** In the case of stock certificates as already explained, a fresh certificate is issued by the Public Debt Office on being satisfied that the old certificate has actually been lost, stolen or destroyed. In the case of bearer bonds (with or without coupons) or of promissory notes, if the report of the loss, theft or destruction of a security is received at the treasury where it is encased for payment of interest, the Treasury Officer should act on the line indicated in paragraph 44 and should direct the alleged proprietor to address the Public Debt Office on the subject giving the details set forth in Rule 25 or Rule 11 of the Indian Securities Rules (*vide* Appendix II).

The Public Debt Office will then advise him as to the procedure that he will have to observe before a duplicate security can be issued. The circumstances in which the Public Debt Office will issue a duplicate security are set forth in the statutory rules referred to above to which the claimant's attention should be drawn. For the issue of duplicates of bearer bonds and promissory notes, fees on the scale prescribed in paragraph 69 for the renewal of promissory notes will be chargeable by the Public Debt Office.

*Transfer of Securities to London*

**123.** The London branch of the Reserve Bank of India will issue interest drafts payable in rupees at Bombay, Calcutta, Delhi or Madras on stock inscribed and promissory notes registered in its books.

Proprietors of Government securities who may be desirous of transferring them from India to London, or *vice versa*, should apply to a Public Debt Office in India or to the London branch of the Reserve Bank, as the case may be.

The London branch of the Reserve Bank will renew and convert Government promissory notes registered in its books provided that it considers the title clearly established. It is at liberty, however, in doubtful cases to require the holder to apply to the Public Debt Office at which the note was previously enfaced. Claims for the issue of duplicates of lost, etc., notes will be dealt with in India alone.

A fee will be chargeable by the Public Debt Office at the rate of Re 1 for each promissory note or for each Rs 5,000 stock or part of it transferred under this paragraph. Fees may also be charged by the London branch of the Reserve Bank for all services for which the Public Debt Office is entitled to charge fees at rates equivalent to those charged in India.

*Jurisdiction of Public Debt Offices in respect of Loans which have not been decentralised*

124. As has already been stated in paragraph 2 the following loans have not been decentralised —

- (i) 5 per cent Loan, 1939-44
- (ii) 3 per cent Bonds, 1941
- (iii) 5 per cent Loan, 1940-43
- (iv) 4 per cent Bonds, 1943
- (v) 5 per cent Income-tax free loan, 1945-55
- (vi) Loans notified for discharge on or before 1st October 1938

The Public Debt Office, Delhi, has no jurisdiction in respect of these Loans. The jurisdiction of the other three Public Debt Offices is as follows —

*Public Debt Office, Calcutta* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountants General, Burma, Bengal, Bihar, United Provinces and Punjab, the Comptrollers, Orissa, Assam and North-West Frontier Province, the Central Government Treasuries at Kurram, Manipur, Nepal, Port Blair, Ajmer, Sambhar, Delhi and the Bikaner and Cooch Behar State Treasuries.

*Public Debt Office, Bombay* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountants General, Bombay and Central Provinces and Berar, and the Comptroller, Sind, and the Central Government Treasuries at Baroda, Hyderabad (Deccan), Indore, Muskat, Nowgong (Bundelkhand), Quetta, Rajkot and Sabar Kantha.

*Public Debt Office, Madras* — Treasuries and Sub-Treasuries under the jurisdiction of the Accountant General Madras, and the Central Government Treasuries at Bangalore, Coorg and Travancore.

References in respect of the abovementioned loans should be addressed by the Treasury Officers to the Public Debt Office in whose jurisdiction the Treasury is situated unless there is any express direction to the contrary.

## APPENDIX I.

## APPENDIX I.

## THE INDIAN SECURITIES ACT, No X of 1920

(As amended up to 1st May 1938 )

WHEREAS it is expedient to consolidate and amend the law relating to Government securities, it is hereby enacted as follows —

Short title, extent and commencement

1 (1) This Act may be called the Indian Securities Act, 1920,

(2) It extends to the whole of British India, including British Baluchistan, and

(3) It shall come into force on the first day of April, 1920

Definitions

2 In this Act, unless there is anything repugnant in the subject or context,—

(a) “ Government security ” means promissory notes (including treasury bills), stock certificates, bearer bonds and all other securities issued by the Governor General in Council or by any Local Government in respect of any loan contracted either before or after the passing of this Act, but does not include a currency note, and

(b) “ prescribed ” means prescribed by rules made under this Act

(c) “ the Government ” or “ Government ” in relation to any loan or security, means the Government raising the loan or issuing the security

3 (1) Save as otherwise provided in or under this Act, no

Notice of trust not receivable save as provided

notice of any trust in respect of any Government security shall be receivable by the Government

(2) The Government shall not be deemed to have received notice of any trust by reason only of the fact that it has recognised an indorsement on a Government security by an executor or administrator as such, nor shall it inquire into the terms of any will by which such executor or administrator may be bound, but, on being satisfied of the due appointment of such executor or administrator, it shall be entitled to treat him as the full owner of any Government security belonging to the estate of the person whom he represents.

Right of survivors of joint or several payees of Government securities

4 (1) Notwithstanding anything in section 45 of the Indian Contract Act, 1872,—

- (a) when a Government security is payable to two or more persons jointly, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, and
- (b) when a Government security is payable to two or more persons severally, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, or to the representative of the deceased, or to any of them

(2) This section shall apply whether such death occurred or occurs before or after this Act comes into force

(3) Nothing herein contained shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any security to which sub-section (1) applies

(4) For the purposes of this section, a body incorporated under the Indian Companies Act, 1913, or the Co-operative Societies Act, 1912, or any other enactment for the time being in force whether within or without British India, relating to incorporation of associations of individuals, shall be deemed to die when it is dissolved

5 Notwithstanding anything in section 15 of the Negotiable Instruments Act, 1881, no indorsement of a Government promissory note shall be valid unless made by the signature of the holder inscribed on the back of the security itself

6 (1) In the case of any public office to which the Government may, by notification in the *Gazette of India*, declare this sub-section to apply, a Government security may be made or indorsed payable to or to the order of the holder of the office by the name of the office

(2) When a Government security is made or indorsed as aforesaid, it shall be deemed to be transferred without any or further indorsement from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office

IX of 1872

VII of 1913  
II of 1912

XXVI of 1881.

Indorsements to be made on security itself

Holding of Government securities by holders of public offices

APPENDIX I.

(3) When the holder of the office indorses to a third party a Government security made or indorsed as aforesaid, he shall subscribe the indorsement with his name and the name of the office

(4) A writing on a Government security now or heretofore standing in the name of the holder of a public office, whereby the security has been or was made or indorsed payable to or to the order of the holder of the office by the name of the office, shall not be deemed to be or to have been invalid by reason only of the security having been so made or indorsed

(5) This section applies as well to an office of which there are two or more joint holders as to an office of which there is a single holder

7 Notwithstanding anything in the Negotiable Instruments Act, 1881, the Government may, in respect of any loan, issue to xxvi of 1881 the ruler of any State in India Government securities in such form and subject to such conditions as to negotiability, succession and other matters as may be prescribed

Issue of securities to rulers of States in India

8 Notwithstanding anything in the Negotiable Instruments Act, 1881, a person shall not, by reason only of his having indorsed xxvi of 1881. a Government security, be liable to pay any money due, either as principal or as interest, thereunder.

Indorser of Government security not liable for amount thereof

9 (1) The signature of the person authorised to sign Government securities on behalf of the Government may be printed, engraved or lithographed, or impressed by such other mechanical process as the Government may direct on the securities

Impression of signature on Government securities

(2) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as if it had been inscribed in the proper handwriting of the person so authorised

*Issue of duplicate, renewed, converted, consolidated or sub-divided securities*

10 (1) When a Government security is alleged to have been lost, stolen or destroyed either wholly or in part, and a person claims to be the person to whom but for the loss, theft or

Issue of duplicate securities

## APPENDIX I

destruction it would be payable, he may, on application to the prescribed authority, and on producing proof to its satisfaction of the loss, theft or destruction and of the justice of the claim and on payment of the prescribed fee, if any, obtain from it an order for—

(a) the payment of interest in respect of the security said to be lost, stolen or destroyed pending the issue of a duplicate security, and

(b) the issue of a duplicate security payable to the applicant

(2) An order shall not be passed under sub-section (1) until after the issue of the prescribed notification of the loss, theft or destruction

(3) A list of the securities in respect of which an order is passed under sub-section (1) shall be published in the prescribed manner

(4) If at any time before the Government becomes discharged under the provisions of this Act from liability in respect of any security the whole of which is alleged to have been lost, stolen or destroyed, such security is found, any order passed in respect thereof under this section shall be cancelled

11 The holder of a bearer bond or other Government security payable to bearer may, on application to the prescribed authority,

Renewal of bearer bonds on delivery of the bearer bond or other security, and on payment of the prescribed fee, if any, obtain from such authority a renewed bearer bond or other security, as the case may be

12 Subject to the provisions of section 13, a person claiming to be entitled to a Government promissory note, may, on applying to the prescribed authority, and

Renewal of promissory notes on satisfying it of the justice of his claim and delivering the promissory note receipted in the prescribed manner, and paying the prescribed fee, if any, obtain from such authority a renewed promissory note payable to him

Provided that, when application is made for the renewal of a Government promissory note which appears to the prescribed authority to stand in the name of a deceased member of a Hindu undivided family governed by the *Mitakshara* law, a renewed promissory note shall not be issued to the applicant unless he furnishes a certificate signed by such authority and after such inquiry as may be prescribed to the effect that the deceased belonged to a Hindu undivided family governed by the *Mitakshara* law, that the promissory note formed part of the joint property of

## APPENDIX I

the family, and that the applicant is the managing or sole surviving male member of the family

*Explanation* —The expression “Hindu undivided family governed by the *Mitakshara* law” shall, for the purposes of this section, be deemed to include a Malabar *taruad*

13 (1) Where there is a dispute as to the title to a Government promissory note in respect of which an application for renewal has been made, the prescribed authority may—

Renewal of promissory notes in case of dispute as to title

(a) where any party to the dispute has obtained a final decision from a Court of competent jurisdiction declaring him to be entitled to such note, issue a renewed note in favour of such party, or

(b) refuse to renew the note until such a decision has been obtained, or

(c) after such inquiry as is hereinafter provided and consideration of the result thereof, declare by order in writing which of the parties is in its opinion entitled to such note and may, after the expiration of three months from the date of such declaration, issue a renewed note in favour of such party in accordance with the provisions of section 12, unless within that period it has received notice that proceedings have been instituted by any person in a Court of competent jurisdiction for the purpose of establishing a title to such note

*Explanation* —For the purposes of this sub-section the expression ‘final decision’ means a decision which is not appealable or a decision which is appealable but against which no appeal has been filed within the period of limitation allowed by law

(2) For the purpose of the inquiry referred to in sub-section (1), the prescribed authority may direct one of its officers to record, or may request the District Magistrate to record or to have recorded, the whole or any part of such evidence as the parties may produce. When such request has been made to the District Magistrate, such Magistrate may himself record or may direct any Magistrate of the first class subordinate to him, or any Magistrate of the second class subordinate to him and empowered by general or special order of the Government in this behalf, to record the evidence, and shall forward a copy thereof to the prescribed authority



## APPENDIX I.

*Explanation* —For the purposes of this sub-section, the District Magistrate means the District Magistrate having jurisdiction in the place where interest on the promissory note is payable and, where interest is payable at a presidency town, the Chief Presidency Magistrate, or at a place in a State in India, the Political Agent

(3) The officer of the prescribed authority or any Magistrate acting under this section may, if he thinks fit, record evidence on oath

14 Government securities other than those mentioned in sections 11 and 12 may be renewed in such circumstances and in such manner as may be prescribed

15 (1) The prescribed authority may, subject to such conditions as may be prescribed, on the application of a person claiming to be entitled to a Government security or securities, on being satisfied of the justice of the claim and on delivery of the security or securities receipted in the prescribed manner and on payment of the prescribed fee, if any, convert, consolidate or sub-divide the security or securities, and issue to the applicant a new security or securities accordingly

(2) The conversion, consolidation or sub-division referred to in sub-section (1) may be into a security or securities of the same or different classes or of the same or different loans

16 (1) When a renewed Government promissory note has been issued under section 12, or a new Government promissory note has been issued upon conversion, consolidation or sub-division under section 15, in favour of any person, the note so issued shall be deemed to constitute a new contract between the Government and such person and all persons deriving title thereafter through him

(2) No such renewal, conversion, consolidation or sub-division shall affect the rights as against the Government of any other person to the security or securities so renewed, converted, consolidated or sub-divided

### *Discharge*

17 On payment by or on behalf of the Government to the holder of a bearer bond or other Government security payable to

## APPENDIX I

bearer of the amount expressed therein on or after the date when it becomes due, or on renewal of a  
 Immediate discharge in certain cases bearer bond or other security payable to bearer under section 11, or on renewal of a Government promissory note under section 13, or on conversion, consolidation or sub-division of a bearer bond or other security payable to bearer under section 15, the Government shall be discharged in the same way and to the same extent as if such bearer bond, promissory note or other security were a promissory note payable to bearer

Provided that, in the case of a Government promissory note renewed under section 13, nothing in this section shall be deemed to bar a claim against the Government in respect of such note by any person who had no notice of the proceedings under that section, or who derives title through any such person

Discharge in other cases 18 Save as otherwise provided in this Act—

- (1) On payment of the amount due on a Government security on or after the date on which payment becomes due, or
- (ii) when a duplicate security has been issued under section 10, or
- (iii) when a renewed security has been issued under section 12 or section 13, or a new security or securities has or have been issued upon conversion, consolidation or sub-division under section 15,

the Government shall be discharged from all liability in respect of the security or securities so paid or in place of which a duplicate, renewed, or new security or securities has or have been issued—

- (a) in the case of payment—after the lapse of six years from the date on which payment was due;
- (b) in the case of a duplicate security—after the lapse of six years from the date of the publication under sub-section (3) of section 10 of the list in which the security is first mentioned, or from the date of the last payment of interest on the original security, whichever date is later,
- (c) in the case of a renewed security or of a new security issued upon conversion, consolidation or sub-division—after the lapse of six years from the date of the issue thereof.

## APPENDIX I

18-A Save as otherwise expressly provided in the terms of a Government security, no person shall be entitled to claim interest on any such security in respect of any period which has elapsed after the earliest date on which demand could have been made for the payment of the amount due on such security

Discharge in respect of interest

*Summary procedure in certain cases*

19 (1) If within six months of the death of a person who was entitled to a Government security or securities (other than a security payable to bearer) the nominal or face value of which does not in the aggregate exceed five thousand rupees, probate of the will or letters of administration of the estate of such person or a certificate granted under the Succession Certificate Act, 1889, is not produced to the prescribed authority, such authority may, after inquiry in the manner provided in sub-sections (2) and (3) of section 13, determine who is the person entitled to the security or securities or to administer the estate of the deceased, and may—

- (a) in the case of any such security relating to a loan due for repayment, authorise payment of the amount due thereon to such person, and
- (b) in the case of any such security relating to a loan not due for repayment, authorise, in the case of a promissory note, the renewal of such promissory note in favour of such person, or, in the case of stock, the registration of the name of such person in substitution for the name of the deceased

(2) Upon the payment or renewal of any promissory note in accordance with sub-section (1), the Government shall be discharged from all liability in respect of the note so paid or renewed, and any substitution of names made in accordance with clause (b) of sub-section (1) shall, for the purposes of any claim against the Government, be deemed to have effected a valid transfer of the stock in respect of which it was made.

(3) Any creditor or claimant against the estate of the deceased may recover his debt or claim out of money paid to any person under sub-section (1) and remaining in his hands unadministered

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\* Part X of the Indian Succession Act, 1925 (Act XXXIX of 1925)

## APPENDIX I

in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased, and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased

*Securities held by minors and lunatics*

20 Where a Government security stands in the name of or is held by a minor or a person who is insane and incapable of managing his affairs, the interest accruing thereon, or the capital sum payable in respect thereof on the

Payment in case of securities held by minors and lunatics

maturity or discharge of the loan, shall, where, in the case of interest payable, the nominal value of the security, or in other cases the sum payable, does not exceed five thousand rupees, be paid in such manner as may be prescribed, and on any payment being so made, the Government shall, notwithstanding any provision of any enactment to the contrary, be discharged from all liability in respect thereof

*Indemnity*

21 Notwithstanding anything in section 10, 12, 13 or 15, the prescribed authority may in any case arising under any of those sections—

Indemnity

(i) issue a duplicate or renewed security or convert, consolidate or sub-divide a security or securities upon the applicant giving the prescribed indemnity against the claims of all persons claiming under the original security or under the security or securities so renewed, converted, consolidated or sub-divided, as the case may be, or

(ii) refuse to issue a duplicate or renewed security or to convert, consolidate or sub-divide a security or securities unless such indemnity is given

*Inspection of registers, books and documents*

22 No person shall be entitled to inspect, or to receive information derived from, any Government security in the possession

## APPENDIX I.

of the Government or from any book, register or other document kept or maintained by or on behalf of Government in relation to Government securities or any Government security, save in such circumstances and manner and subject to such conditions as may be prescribed

*Penalty*

23 (1) If any person, for the purpose of obtaining for himself or for any other person payment of interest or of the capital sum

Penalty due in respect of any Government security, or the issue of a duplicate security, or the renewal, conversion, consolidation or subdivision of a Government security or securities, makes to any authority under this Act a statement which is false and which he either knows to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, or with both

(2) No Court shall take cognizance of any offence under subsection (1) save on the complaint of the authority to whom the false statement was made

*Rules*

24 (1) The Government may after previous publication make rules to carry out the purposes of this Act

Power to make rules

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely —

(a) the manner in which payment of interest in respect of Government securities is to be made and acknowledged,

(b) the circumstances in which Government securities must be renewed before further payment of interest thereon can be claimed,

(c) the form in which and the conditions subject to which Government securities may be issued to the rulers of States in India,

(d) the fees to be paid in respect of the issue of duplicate securities and of the renewal, conversion, consolidation and sub-division of Government securities,

## APPENDIX I

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- (e) the proof which is to be produced by persons applying for duplicate securities,
  - (f) the form and manner of publication of the notification mentioned in sub-section (2) of section 10 and the manner of publication of the list mentioned in sub-section (3) of that section,
  - (g) the authority which is to exercise all or any of the powers and to perform all or any of the duties referred to in sections 10, 11, 12, 13, 15, 19 and 21
  - (h) the manner of making the inquiry mentioned in the proviso to section 12,
  - (i) the circumstances and the manner in which securities other than securities payable to bearer or promissory notes are to be renewed,
  - (j) the form in which securities delivered for discharge, renewal, conversion, consolidation or sub-division are to be receipted,
  - (k) the conditions subject to which securities may be converted, consolidated or sub-divided,
  - (l) the person to whom and the manner in which payments are to be made in respect of Government securities standing in the name of, or held by, minors or persons who are insane and incapable of managing their affairs,
  - (m) the taking of indemnities against adverse claims of third parties from persons who receive payment of interest or of the capital sum due in respect of Government securities, or who obtain duplicate, renewed, converted, consolidated or sub-divided securities,
  - (n) the manner in which any document relating to Government securities or any indorsement on a Government promissory note may on the demand of any person who from any cause is unable to write, be executed on his behalf,
  - (o) enabling holders of Government stock to be described in the registers of such stock as trustees, and either as trustees of any particular trust or as trustees without qualification, and for the recognition of powers-of-attorney granted by holders of stock so described,
  - (p) the holding of Government stock by the holders of offices other than public offices, and the manner in which and

the conditions subject to which stock so held may be transferred,

- (q) the mode of attestation of documents relating to Government stock,
- (r) generally, all matters connected with the grant of duplicate, renewed, converted, consolidated and sub-divided securities, and
- (s) the circumstances and the manner in which and the conditions subject to which inspection of securities, books, registers and other documents may be allowed or information therefrom may be given under section 22

(3) Nothing in any rules made under clauses (o) and (p)- shall, as between any trustees or as between any trustees and the beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust, and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stockholder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stockholder or of any fiduciary obligation attaching to the holding of any Government stock

(4) Rules made under this section shall be published in the *Gazette of India*, and shall thereupon have effect as if enacted in this Act

### *Repeals*

25 \* On and from the date on which this Act comes into force, the Indian Securities Act, 1886, and so much of the First and Second Schedules of the Repealing and Amending Act, 1914, as relates to the Indian Securities Act, 1886, shall be repealed

26 For the avoidance of doubt it is hereby declared that the rights of all persons in relation to Indian securities are to be determined, in connection with all such questions as are dealt with by this Act in relation to Government securities, by the law of British India

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\* Repealed by the Repealing Act, 1927 (12 of 1927)

## APPENDIX II.

## APPENDIX II.

RULES UNDER THE INDIAN SECURITIES ACT  
(X OF 1920)

In exercise of the powers conferred by section 24 of the Indian Securities Act, 1920 (X of 1920), and in supersession of the Indian Securities Rules, 1920, the Governor General in Council is pleased to make the following rules, the same having been previously published as required by sub-section (1) of the said section, namely —

1 (1) These rules may be called the Indian Securities Rules, 1935 They shall come into force  
Short title and application on the 1st April, 1935

(2) They shall apply only in the case of securities issued by the Central Government

Definitions 2 In these rules, unless there  
is anything repugnant in the  
subject or context,—

(a) “ the Act ” means the Indian Securities Act, 1920, X of 1920

(aa) “ Bank ” means the Reserve Bank of India as constituted by the Reserve Bank of India Act, 1934,

(b) “ Controller of the Currency ” includes any officer who may be appointed from time to time by the Central Government to perform the duties of the Controller of the Currency,

(c) “ District Magistrate ” has the same meaning as in the explanation to sub-section (2) of section 13 of the Act;

(d) “ Form ” means a Form as set out in the Schedule to these rules,

(e) “ proper demand ” means a demand made in writing to the Public Debt Office in accordance with the provisions of these rules, and

(f) “ Public Debt Office ” means the office of the Reserve Bank of India on the books of which a Government security is registered



## APPENDIX II

*Rules relating to Stock*

3 Interest on stock shall be paid on warrants issued by the Public Debt Office and payable at the local office of the Bank

Payment of interest      Such warrants may, at the request of the holder of the stock certificate, to be preferred in writing to the Public Debt Office, be made payable at any other Indian or Burman office of the Reserve Bank of India or any agency thereof conducting Government treasury business or at any treasury or sub-treasury in British India or Burma, or, in a State in India or Burma, at the Head Post Office, if there is no British Indian or Burman treasury, or, if there is no Head Post Office, at any Post Office designated by the Central Government by order in writing in this behalf. The presentation of the stock certificate shall not be required at the time of payment of interest, but the payee shall acknowledge receipt on the back of the warrant.

4 A duplicate stock certificate may be issued by the Public Debt Office on its being satisfied that the original certificate has

Issue of duplicate certificate in case of loss, theft or destruction of original      been actually lost, stolen or destroyed

5 Subject to any general or special instructions of the Bank, the Public Debt Office, may, on the application of the holder of the relevant stock certificate or stock certificates, and on his receipting the same in Form I, II or III, as the case may be, issue converted, consolidated or sub-divided securities in place thereof.

6 (1) On a proper demand made by a person in whose name any stock is registered, or by a person into whose name any stock

Recognition of trusts, etc      is to be transferred, or by a person who desires to be entered as the proprietor of stock in exchange for promissory notes or bearer bonds held by him, that he may be described in the books of the Public Debt Office with respect to that stock as a trustee, whether as a trustee of the trust specified in the demand or as a trustee without any such qualification, the Public Debt Office may make such entries in its books and in any stock certificate issued in connection therewith as it considers reasonably necessary for the purpose of complying with the demand.

(2) If the demand is made by a person in whose name stock is registered or by a person into whose name stock is to be transferred,

## APPENDIX II

the stock certificate must be transmitted to the Public Debt Office with the demand

(3) Where any transfer-deed, power-of-attorney or other document purporting to be executed by a stock-holder described in the books of the Public Debt Office as a trustee is produced to the Public Debt Office, the Public Debt Office shall not be concerned to inquire whether the stock-holder is entitled under the terms of the trust to give any such power or to execute such deed or other document, and may act on the transfer-deed, power-of-attorney or document in the same manner as though the stock-holder had not been so described, and whether the stock-holder is or is not described in the transfer-deed, power-of-attorney or document as a trustee, and whether he does or does not purport to execute the transfer-deed, power-of-attorney or document in his capacity as a trustee

7 (1) On a proper demand made by a person who is the holder of an office other than a public office, the Public Debt Office may,

Recognition of office-holders      in the case of any account of Gov-  
ernment stock to be opened and  
kept with such person, either alone or jointly with other persons,  
enter the description of such person in its books by the name of  
his office

(2) Where any person holding any Government stock, whether alone or jointly with other persons, is the holder of any office other than a public office, the Public Debt Office may, on a proper demand made by that person, or in the case of a joint account, by all the stock-holders, close the existing account and open an account with respect to that stock, or alter the existing account, so that it shall become an account under the official description of that person, either alone or jointly with the other stock-holders, according to the terms of the demand, and make such entries in its books as it considers reasonably necessary for the purpose of complying with the demand

(3) Where accounts have been opened and entries made in accordance with sub-rule (1) or sub-rule (2), the personal name of the office-holder need not be stated in the accounts, and any document relating to the stock concerned may be executed by the person for the time being holding the office described in the account as if his personal name were so stated

(4) Before acting on any demand purporting to be made, or on any document purporting to be executed, in pursuance of this rule

## APPENDIX II

by a person as being the holder of any office, the Public Debt Office may require the production of evidence that such person is the holder for the time being of that office

8 When a stock certificate is presented for discharge, a receipt shall be taken on the certificate itself or a separate receipt shall be given by the party presenting it

Receipt required on discharge of a stock certificate

*Rules relating to Promissory Notes*

*(a) Rules relating to Promissory Notes other than Treasury Bills*

9 Interest on a Government promissory note shall be paid at any treasury or sub-treasury in India or Burma for payment of interest at which the note has been enfaced, but only on presentation of the note itself and on signature by the payee of a receipt in Form IV Where, however, interest on a Government promissory note is payable at a place where a Public Debt Office is located, the note shall be presented at the Public Debt Office which shall issue interest warrants in favour of the holder payable at the local office of the Bank

10 The holder of any such note may be required to receipt the same for renewal in any of the following cases, and, where such requisition has been made, payment of any further interest on such note may be refused until the note is receipted for renewal and actually renewed, namely —

- (a) if only sufficient room remains on the back of the note for one further indorsement or if any word is written upon the note across any existing indorsement or indorsements,
- (b) if the note is torn or in any way damaged or crowded with writing or unfit, in the opinion of the officer before whom it is produced for payment of interest or for receiving indorsement,
- (c) if any indorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or in the case of office-holders, by office, or is made otherwise than in one of the indorsement cages on the back of the note,
- (d) if the interest on the note has remained undrawn for ten years or more,

## APPENDIX II

- (e) if the interest cages on the reverse of the note have been completely filled or if the vacant printed cages on the reverse of the note do not correspond with the half-years for which interest has become due on the date when the note is presented for drawal of interest,
- (f) if the note having been enfaced three times for payment of interest is presented for re-enfacement, and
- (g) if, in the opinion of the Public Debt Office, the title of the person presenting the note for payment of interest is irregular or not fully proved

11 (1) Every application for the issue of a duplicate note in place of a Government promissory note which is alleged to have been lost, stolen or destroyed, either wholly or in part, shall be addressed to the Public Debt Office, and shall be accompanied

by a statement of the following particulars, namely —

- (a) particulars of the note according to the following form —

promissory note for Rs \_\_\_\_\_, No \_\_\_\_\_  
of the \_\_\_\_\_ per cent loan of \_\_\_\_\_;

- (b) the last half-year for which interest has been paid,
- (c) the person to whom such interest was paid,
- (d) the person in whose name the note was issued (if known),
- (e) particulars of coupons attached (if any),
- (f) the place for payment of interest at which the note was for the time being enfaced,
- (g) the circumstances attending the loss, theft or destruction; and
- (h) whether the loss or theft was reported to the police

(2) Such letter shall be accompanied by—

- (a) the Post Office registration receipt for the letter containing the note, if the same was lost in transmission by registered post;
- (b) a copy of the police report, if the loss or theft was reported to the police;
- (c) where the last payment of interest was not made by a warrant issued by the Public Debt Office, a letter signed by the officer of the treasury where interest was last paid, certifying the last payment of interest on the note

## APPENDIX II

and stating the name of the party to whom such payment was made,

(d) if the applicant is not the registered holder, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the promissory note, and all documentary evidence necessary to trace back the title to the registered holder, and

(e) any portions or fragments which may remain of the lost, stolen or destroyed note

(3) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury where interest is payable

12 The loss, theft or destruction of a Government promissory note or portion of a Government promissory note shall be further notified by the applicant in three successive issues of the *Gazette of*

*India* and of the local official *Gazette*, if any, of the place where the loss, theft or destruction occurred. Such notification shall be in the form following, or as nearly in such form as circumstances permit —

“ *Lost* ” ( “ *stolen* ” or “ *destroyed* ” as the case may be )

“ The Government promissory note No. \_\_\_\_\_, of the \_\_\_\_\_ per cent loan of \_\_\_\_\_ for Rs \_\_\_\_\_, originally standing in the name of \_\_\_\_\_, and last indorsed to \_\_\_\_\_, the proprietor, by whom it was never indorsed to any other person, having been lost/stolen/destroyed, notice is hereby given that payment of the above note and the interest thereupon has been stopped at the Public Debt Office, and that application is about to be made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned security

*Name of person notifying*

*Residence ”*

13 After the publication of the last notification prescribed in Rule 12, the Bank shall, if it is satisfied of the loss, theft or destruction of the note and of the justice of the claim of the applicant, cause the particulars of the issue of duplicate note and taking of indemnity

## APPENDIX II

note to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall order the Public Debt Office—

(1) if only a portion of the note has been lost, stolen or destroyed, and if a portion of the note sufficient for its identification has been produced, to issue to the applicant, on the execution of an indemnity bond such as is hereinafter mentioned, a duplicate note in place of that of which a portion has been so lost, stolen or destroyed, six months after the date of the publication of the said list, and

(2) if no portion or no sufficient portion of the note so lost, stolen or destroyed has been produced—

(a) to pay to the applicant, two years after the publication of the said list, and on the execution of an indemnity bond in the manner hereinafter prescribed, the interest in respect of the note so lost, stolen or destroyed pending the issue of a duplicate note, and

(b) to issue to the applicant a duplicate note in place of the note so lost, stolen or destroyed six years after the date of publication of the said list, provided that—

(i) if the date on which the note is due for repayment falls earlier than the date on which the said period of six years expires, the Bank shall, within six weeks of the former date, invest the principal amount due on the note in the Post Office Savings Bank unless, before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the Central Government maturing not earlier than the date on which the duplicate is due for issue, and in that case, shall invest the amount in such securities, and deposit the balance, if any, left after such investment in the Post Office Savings Bank. It shall repay the amount invested in the Post Office Savings Bank, together with any interest which may have accrued thereon and, if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon, to the applicant at the time when a duplicate note would otherwise have been issued, and

(ii) if at any time before the issue of the duplicate note the original note is discovered or it appears to the Public

Debt Office for other reasons that the order should be rescinded, the matter shall be referred to the Bank for further consideration and in the meantime all action on the order shall be suspended

14 A provisional order passed under sub-rule (2) of Rule 13 shall, on the expiry of the six years referred to therein, become final, provided that the Bank may, at any time prior to the issue of a duplicate note, if it finds sufficient reason, alter or cancel any such order, and may also direct that the interval before the issue of a duplicate note shall be extended by such period not exceeding six years, as it may think fit

Alteration of order, etc

Indemnity bonds

15 (1) Indemnity bonds—  
(a) when executed under sub-rule (2) (a) of Rule 13 shall be for twice the amount of the interest involved, that is to say, twice the amount of all back interest accrued due on the note *plus* twice the amount of all interest to accrue due thereon during the period which will have to elapse before the issue of a duplicate note can be made, and

(b) in all other cases shall be for twice the face value of the note *plus* twice the amount of interest calculated in accordance with clause (a)

(2) The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties as it may think fit, or that in lieu of furnishing personal sureties the applicant shall furnish collateral security in the shape of Government securities to be deposited with it for such amount and period as it may think fit

#### (b) *Rules relating to Treasury Bills*

16 (1) Every application regarding a treasury bill alleged to have been lost, stolen or destroyed, either wholly or in part, shall be addressed to the office or agency of the Bank which issued it, and shall be accompanied by a registration fee of Re 1 per treasury bill and a statement of the following particulars, namely —

Report of the loss, theft or destruction of treasury bill

- (i) particulars of the number and value of the treasury bill;
- (ii) the circumstances attending the loss, theft or destruction, and

(iii) whether the loss or theft was reported to the police

## APPENDIX II

(2) The application shall be accompanied by—

- (a) the Post Office registration receipt for the letter containing the treasury bill, if lost in transmission by post;
- (b) a copy of the police report, if the loss or theft was reported to the police,
- (c) an affidavit sworn before a magistrate testifying that the claimant was the last legal holder of the treasury bill, and
- (d) any portions or fragments which may remain of the lost, stolen or destroyed treasury bill

17 The loss, theft or destruction of a treasury bill shall be further notified by the applicant in one issue each of the *Gazette of India* and of the local official *Gazette*, if any, of the place where the loss, theft or destruction occurred. Such notification should be in the form following, or as nearly in such form as circumstances permit —

“ *Lost* ” (“ *stolen* ” or “ *destroyed* ” as the case may be)  
 “ The Treasury Bill No \_\_\_\_\_ for Rs \_\_\_\_\_, issued on \_\_\_\_\_ and maturing after a period of \_\_\_\_\_ months, having been lost/stolen/destroyed, notice is hereby given that application is about to be made for payment of the value of the said Treasury Bill in favour of the undersigned

*Name of person notifying*  
*Residence ”*

18 (1) After the publication of the notifications prescribed in Rule 17, the Bank shall, if it is satisfied of the loss, theft or destruction of the treasury bill, and of the justice of the claim of the applicant, cause the particulars of the treasury bill to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and may authorise the office of issue to pay immediately, or, if the bill has not matured in the meanwhile, on the date of its maturity, the value of the bill to the applicant on the execution of an indemnity bond such as is hereinafter mentioned, provided that, if for any reason the Bank holds that payment of the value of the treasury bill as above would involve risk of loss to Government, it may withhold payment thereof, and in that case shall, within six weeks of the date of its decision to withhold payment or of the date of maturity of the treasury bill alleged to have been lost, stolen or destroyed, whichever date is



## APPENDIX II

later, invest the amount of the treasury bill in the Post Office Savings Bank unless, before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the Central Government maturing not earlier than the date on which the amount is due for payment, and in that case the Bank shall invest the amount in such securities and deposit the balance, if any, left after such investment in the Post Office Savings Bank. The Bank shall repay the amount invested in the Post Office Savings Bank together with any interest which may have accrued thereon and, if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon, to the applicant on the expiry of six years from the date of publication in the list mentioned above.

(2) The indemnity bond referred to in sub-rule (1) above shall be for twice the value of the treasury bill. The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties or that in lieu of furnishing sureties the applicant shall deposit with it collateral security in the shape of Government securities for such amount and period as it may think fit.

(c) General

19 (1) The list referred to in rules 13 and 18 (1) shall be published half-yearly in the *Gazette of India* in the months of January and July, or as soon afterwards as may be convenient

(2) All Government promissory notes and treasury bills in respect of which an order has been passed under Rule 13 or Rule 18 (1), as the case may be, shall be included in the first list published next after the passing of such order and thereafter such notes and treasury bills shall continue to be included in every succeeding list until the expiration of six years from the date of first publication

(3) The list shall contain the following particulars regarding each note (other than a treasury bill) included therein, namely, the name of the loan, the number of the note, its value, the name of the person to whom it was issued, the date from which it bears interest, the name of the applicant for a duplicate, the number and date of the order passed by the Bank for payment of interest or issue of a duplicate, and the date of publication of the list in which the note was first included and similar particulars shall, as far as possible, be given regarding each treasury bill included in the list

## APPENDIX II

20. (1) Subject to any general or special instructions of the Bank, the Public Debt Office may, on the application of the holder,  
Form of receipt for renewal, consolidation, etc.

- (a) renew, sub-divide or consolidate a Government promissory note or notes (not being a treasury bill or treasury bills), provided that the note or notes has or have been re-  
 cepted in Form V, VII or VIII, as the case may be, or
- (b) convert the note or notes into a stock certificate, provided that the note or notes has or have been indorsed, "Pay to the Governor General of India in Council," or
- (c) convert the note or notes into bearer bonds provided that the note or notes has or have been indorsed in Form IX.

(2) Subject to any general or special instructions of the Bank, the office or agency which issued a treasury bill may, on the application of the holder thereof renew it provided that the treasury bill has been receipted in Form VI

21 The certificate required under the proviso to section 12 of the Act shall be a certificate signed by the District Magistrate after such inquiry (if any) as may  
Proviso for renewal of promissory notes held by managing member of Hindu joint family subject to Mitakshara Law in his opinion be necessary to determine the matters in question referred to therein

22 (1) The Bank shall exercise the powers and perform the duties referred to in section 13 of the Act  
Prescribed officer in case of dispute as to title

(2) Any declaration made under clause (c) of sub-section (1) of that section shall be published in three successive issues of the *Gazette of India* and the local official *Gazette*, as soon as possible after the date on which the declaration is made

23 When a promissory note is presented for discharge, a receipt shall be taken on the note itself  
Receipt required on discharge of a promissory note

### *Rules relating to Bearer Bonds*

24 Interest on a bearer bond shall be paid to any person who presents the coupon entitling him to such interest at the Public Debt Office or the treasury in India or Burma at which the bond  
Payment of interest is registered for payment of interest

## APPENDIX II

25. (1) Every application for the issue of a duplicate bond in place of a bearer bond which is, or the coupons of which are, alleged to have been lost, stolen or destroyed, or which is alleged to have been lost, stolen or destroyed together with its coupons, shall be addressed to the Public Debt Office, and shall be accompanied by a registration fee of Re 1 per bond and a statement of the following particulars, namely.—

- (1) particulars of the number and value of the bearer bond and the loan to which it belongs,
  - (2) particulars of coupons alleged to have been lost or in the possession of the claimant, as the case may be,
  - (3) the name of the Public Debt Office or treasury at which the bond has been registered for payment of interest,
  - (4) the circumstances attending the loss, theft or destruction; and
  - (5) whether the loss or theft was reported to the police.
- (2) Such letter shall be accompanied by—
- (a) the Post Office registration receipt for the letter containing the bearer bond or coupons, or both, if lost in transmission by registered post,
  - (b) a copy of the police report, if the loss or theft was reported to the police,
  - (c) where the last payment of a coupon with regard to the bond was not made by the Public Debt Office, a letter signed by the officer of the treasury at which interest was last paid, certifying the last payment of such coupon,
  - (d) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bearer bond; and
  - (e) any portions or fragments which may remain of the lost, stolen or destroyed bearer bond or coupons, or both

(3) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury at which the bond is registered for payment of coupons

26 The loss, theft or destruction of a bearer bond or coupons, or both, shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official *Gazette*, if any, of the place where the loss, theft or destruction occurred.

Notification in *Gazette*

## APPENDIX II

Such notification shall be in the form following or as nearly in such form as circumstances permit —

“ *Lost* ” ( “ *stolen* ” or “ *destroyed* ” as the case may be )

“ The bearer bond No \_\_\_\_\_ of the \_\_\_\_\_ per cent  
coupons relating to bearer bond No \_\_\_\_\_  
loan (together with coupons or without coupons) for Rs \_\_\_\_\_  
for Rs \_\_\_\_\_

having been lost/stolen/destroyed, notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned

*Name of person notifying*

*Residence ”*

27. Where a bearer bond is reported to be lost, stolen or destroyed, and the coupons are in the possession of the person claiming

to be the owner of the bond and  
Issue of duplicate on indemnity when bond only lost, stolen or destroyed coupons, the Bank shall, on the destroyed expiry of six months from the

date of the last notification prescribed in rule 26, if satisfied that the bond has been lost, stolen or destroyed, cause the particulars of the bond so lost, stolen or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken for twice the value of the bond lost, stolen or destroyed and on the surrender of the unpaid coupons of the original bond

28 Where both a bearer bond and its coupons are reported to be lost, stolen or destroyed, the Bank, shall on the expiry of two years from the date of the last

notification prescribed in rule 26  
Issue of duplicate on indemnity when both bond and coupons lost, stolen or destroyed if *prima facie* grounds exist for believing that the bond and

coupons have been lost, stolen or destroyed, and that the claim of the applicant is just, cause the particulars of the bond and coupons so lost, stolen or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost, stolen or destroyed bond and coupons are first included and on the execution of an indemnity bond taken for twice the value of the bond and twice the value of the coupons due for payment, and unless reasons to

## APPENDIX II

the contrary appear (in which case the matter shall be referred back to the Bank)—

(a) to issue to the applicant a duplicate bond with coupons, and

(b) to pay the amount of any coupon which may be due

Provided that, if the date on which the bearer bond is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Bank shall, within six weeks of the former date, invest the amount of the bond in the Post Office Savings Bank, and shall repay this amount, together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate bond would otherwise have been issued

29 Where the coupons only of a bearer bond are reported to be lost, stolen or destroyed, the Bank shall, on the expiry of

Issue of duplicate on indemnity when coupons only lost, stolen or destroyed

two years from the date of the last notification prescribed in rule 26, if *prima facie* grounds exist for believing that

the coupons have been lost, stolen or destroyed, and that the claim of the applicant is just, cause the particulars of the coupons so lost, stolen or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost, stolen or destroyed coupons are first included and on the execution of an indemnity bond taken for twice the value of the coupons due for payment and unless reasons to the contrary appear (in which case the matter shall be referred back to the Bank)—

(a) to issue to the applicant a duplicate bond with coupons, and

(b) to pay the amount of any coupons which may be due

30 A provisional order passed under rule 28 or rule 29 shall, on the expiry of the six years referred to in these rules, become final

Provided that the Bank may at any time prior to the issue of a duplicate bond, if it finds sufficient reasons, alter or cancel

Alteration of order, etc

any such order and may also direct that the interval before the

issue of a duplicate bond shall be extended by such period, not exceeding six years, as it thinks fit

## APPENDIX II

31. In making any order under rule 27, 28 or 29 the Bank may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Bank may think fit

Indemnity bonds

32 (1) The list referred to in rules 27, 28 and 29 shall be published half-yearly in the *Gazette of India* in the months of January and July, or as soon afterwards as may be convenient.

Publication of list

(2) All bearer bonds and coupons in respect of which an order has been passed under any of those rules shall be included in the first list published next after the passing of such order and in every succeeding list until the expiry of six years from the date of first publication or from the date of the last payment of a coupon, whichever is the later date

(3) The list shall contain the following particulars in the case of each bond included therein, namely, the name of the loan, the number of the lost bearer bond, its value, the dividend numbers and dates of the lost coupons, if any, the name of the applicant for a duplicate, and the date of publication of the list in which the bond was first included

33 Subject to any general or special instructions of the Bank, the Public Debt Office may, on the application of the holder, renew, convert, sub-divide or consolidate a bearer bond or bearer bonds

Prescribed officer for renewal, conversion, etc

34 When a bearer bond is presented for discharge, renewal, conversion, sub-division or consolidation, no receipt shall be required

Receipt not required on discharge, etc, of a bearer bond

*General*

35 The following fees shall be paid in respect of applications under sections 10, 12 and 15 of the Act, namely —

Fees

For each renewed, converted, consolidated, sub-divided or duplicate security, 4 annas per cent if the new security does not exceed in amount Rs 400, and Re 1 if the new security exceeds that sum

Provided that no fee shall be payable—

(a) in respect of the conversion of a Government promissory note or a bearer bond into stock certificate, and,

## APPENDIX II.

(b) in respect of the renewal of a note which bears no indorsement other than an indorsement by the Reserve Bank of India, the Imperial Bank of India (or one of the banks constituted by the Presidency Banks Act, 1876), the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, or an Assistant Accounts Officer, Posts and Telegraphs, and the renewal indorsement, when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest

36 An indemnity bond taken on the issue of a renewed, converted, consolidated or sub-divided security shall be, as nearly as may be, in Form X. It shall be Indemnity bonds for twice the amount of the security or securities, as the case may be, and shall be executed by the applicant alone or by the applicant and one or two sureties, as may be directed. The applicant may also be allowed to deposit, for such amount and period as may be considered fit, collateral security in the shape of Government securities instead of furnishing personal sureties

*Special procedure in certain cases*

37 (1) When a Government security stands in the name of or is held by a minor or a lunatic who is incapable of managing his affairs, interest or the capital Government securities held by minor or lunatic sum payable on the maturity of the loan may, where, in the case of interest payable, the nominal value of the security, or in other cases the sum payable, does not exceed five thousand rupees, be paid to the father or, if he be dead, to the mother of such person on the officer making the payment being satisfied as to the identity of the father, or mother, as the case may be

(2) If such payment be made at a place other than that at which such minor or lunatic and his father or mother ordinarily reside, payment may be made on production of a certificate of identity signed by any Magistrate

(3) When an applicant for payment is neither the father nor the mother of the minor or lunatic, and when the value of the securities standing in the name of such person does not exceed five thousand rupees, payment may be made on production of a certificate by the District Magistrate, to the effect that the applicant is the actual guardian of such person

## APPENDIX II

(4) If the value of the securities standing in the name of a minor or lunatic exceeds five thousand rupees, payment shall not be made unless and until the applicant for payment shall have produced evidence to the satisfaction of the officer making payment that he is the legal guardian of such person

38 (1) The Bank shall exercise the powers and perform the duties referred to in section 19 of the Act  
Small holdings of deceased persons

(2) In the case of securities held on account of a deceased depositor in the Post Office Savings Bank and kept in the safe custody of the Accountant General, Posts and Telegraphs, the powers and duties referred to in section 19 of the Act shall be exercised by any Postmaster-General, Deputy Postmaster-General or Director of Posts and Telegraphs

39 (1) If any person by whom any document relating to a Government security is to be executed, or by whom an indorsement is to be made on a promissory note, satisfies a Magistrate that he is for any reason unable to write, and that the effect of the document or indorsement is fully understood by him, and that he is the person whom he represents himself to be, such Magistrate may, at the request of that person and subject to the provisions of this rule, execute the document or sign the indorsement on his behalf

(2) Where any such document is to be executed or indorsement signed by a Magistrate under this rule on behalf of any person, the Magistrate shall execute the document or sign the endorsement in the presence of that person, and shall enter below his own signature a certificate to the effect that the document was executed, or the indorsement signed, as the case may be, at the request of that person after having been previously read over to the latter, and that he is satisfied that the effect of the document or indorsement is fully understood by such person

40 (1) Government securities may be issued to the ruler of a State in India, at his request in Form XI, provided that—  
Special securities issued to Ruling Princes

(a) the ruler has been admitted to this privilege by order of the Central Government, and

(b) the total amount for which the ruler applies is not less than Rs 50,000



## APPENDIX II.

(2) Notes issued in accordance with sub-rule (1) shall be in the name of the ruler and his successors and property in them, save as otherwise provided, shall devolve by succession.

(3) Any such note may be negotiated by indorsement by the ruler of the State for the time being

(4) The transferee of any such note shall not be capable of negotiating or drawing interest on the same when so transferred, but shall be entitled on surrender to the Public Debt Office of the note or notes so transferred to obtain therefrom Government securities of a like denomination and amount

41 (1) Any person requiring information regarding a Government security in the custody of the Public Debt Office may apply to that office in writing, stating the form in which the information is required

Application for information	the form in which the information is required
-----------------------------	---

(2) Every such application shall state with precision the particulars (namely, the number, rate of interest, loan to which it belongs and the face value) of the security and shall contain a statement of the purpose for which the information is required and of the interest of the applicant in the security. If any of the above particulars are not known to the applicant, the Bank may, on application being made to it, direct the Public Debt Office, at its discretion, to supply the required particular or particulars, if available, to the applicant, subject to such conditions and on payment of such fees, if any, as it may prescribe

42 The following provisions shall be observed in dealing with Disposal of application applications under rule 41 —

(1) If the application relates to a security which has been renewed, converted, consolidated or sub-divided or asks for inspection from any register or book kept or maintained in the Public Debt Office, the application shall be refused

(2) If the application asks for inspection of a security which has been cancelled on payment of the amount due in respect thereof, it shall be referred to, and disposed of under the orders of the Bank

(3) In any other case the Public Debt Office may, subject to the provisions hereinafter contained, grant a certified copy of any indorsement on a security or of any entry

## APPENDIX II

in any register or book maintained by that office relating to any security, on being satisfied that the security in question has stood in the name of the applicant or of a person in whom the applicant has a representative interest, and further that the applicant has a *bonâ fide* interest in the security in respect of which the application is made

Provided that if the security has been cancelled on payment of the amount due in respect thereof, no copy of any indorsement thereon shall be granted which purports to give a title subsequent to the termination of the applicant's interest in the security

- (4) The Public Debt Office may, under a special order of the Bank, supply any information regarding a security referred to in clause (3) which is directed to be supplied by such an order

43 (1) Every applicant shall before any information is supplied to him under rule 41 or rule 42 pay a fee of Re 1 for each security in respect of which any information is supplied and shall execute a bond of indemnity as nearly as may be in Form XII for twice the value of the security or securities involved and the interest paid thereon since the date of issue

Fees

- (2) A fee of Re 1 shall be paid for each certified copy granted under rule 42.

## APPENDIX II

## THE SCHEDULE.

[See rule 2 (d) ]

## FORM I

(See rule 5 )

**Form of Indorsement for conversion of Stock Certificates into Bearer Bonds/Promissory Notes**

Received in lieu of this stock certificate, bearer bonds/promissory notes of Rs \_\_\_\_\_ each (together with a new stock certificate for the balance amounting to Rs \_\_\_\_\_) with interest payable at \_\_\_\_\_ Treasury

\_\_\_\_\_  
registered holder

Signature of the

\_\_\_\_\_  
his duly authorised representative

## FORM II

(See rule 5 )

**Form of Indorsement for consolidation of Stock Certificates**

Received in lieu of stock certificates Nos \_\_\_\_\_ for  
Rs \_\_\_\_\_ respectively of the \_\_\_\_\_ per cent loan of  
a stock certificate for Rs \_\_\_\_\_ of the  
per cent loan of \_\_\_\_\_ with interest payable at  
Treasury \_\_\_\_\_

\_\_\_\_\_  
registered holder

Signature of the

\_\_\_\_\_  
his duly authorised representative

## FORM III

(See rule 5 )

**Form of Indorsement for sub-division of a Stock Certificate**

Received in lieu of this stock certificate \_\_\_\_\_ stock certificates for Rs \_\_\_\_\_ respectively of the \_\_\_\_\_ per cent loan of \_\_\_\_\_ with interest payable at \_\_\_\_\_ Treasury

\_\_\_\_\_  
registered holder

Signature of the

\_\_\_\_\_  
his duly authorised representative

## APPENDIX II

## FORM IV

(See rule 9)

Receipt for interest on Government Promissory Notes.

Per cent loan of—

Received from the Government Treasury at \_\_\_\_\_ interest due on Promissory Notes as follows —

No of Note	Amount of each Note	Amount of half yearly interest	For how many half-years interest is due	Total amount due	Date up to which interest is due	Name of holder of notes
	Rs	Rs      A      P		Rs      A      P		
N B —If the number is in a fractional form, the upper No only need be quoted.						
			TOTAL			
			Deduct—Income tax at pias			
			Net amount payable			

L 2

Total received (in words)-

Signature

(State whether holder or holder's attorney or administrator) -

## APPENDIX II

## FORM V

[See rule 20 (1) (a) ]

## Form of Indorsement for renewal of a Promissory Note

Received in lieu hereof a renewed note payable to (name of holder), with interest payable at Treasury

Signature of the holder  
 \_\_\_\_\_  
 duly authorised representative of (name of holder).

## FORM VI

[See rule 20 (2) ]

## Form of Indorsement of the renewal of a Treasury Bill

Received in lieu hereof a renewed Treasury Bill payable to

holder.  
 \_\_\_\_\_  
 Signature of the duly authorised representative of (name of holder)

## FORM VII

[See rule 20 (1) (a) ]

## Form of Indorsement for sub-division of a Promissory Note

Received in lieu hereof \_\_\_\_\_ notes for Rs  
 respectively, payable to (name of holder), with interest payable  
 at Treasury

Signature of the holder  
 \_\_\_\_\_  
 duly authorised representative of (name of holder).

## APPENDIX II

## FORM VIII

[See rule 20 (1) (a) ]

**Form of Indorsement for consolidation of Promissory Notes**

Received in lieu hereof a new note payable to (*name of holder*)  
 for Rs                      by consolidation with promissory note or notes  
 Nos                      (*mentioning the numbers and amounts of the other*  
*notes desired to be consolidated with it and specifying the loan*)  
 with interest payable at                      Treasury

- holder

*Signature of the*

\_\_\_\_\_

duly authorised represent-  
 ative of (*name of holder*).

## FORM IX

[See rule 20 (1) (c) ]

**Form of Indorsement for conversion of Promissory Notes into Bearer Bonds**

Received in lieu hereof and of notes numbers                      in the  
 loan of                      of the value of                      Rs                      a  
 bearer bond (or bonds) of Rs                      each amounting to  
 Rs                      with interest payable at                      Treasury

holder

*Signature of the*

\_\_\_\_\_

duly authorised represent-  
 ative of (*name of holder*).

## FORM X

(See rule 36 )

Know all men by these presents that we

The obligor  
 and his  
 sureties are  
 the parties.

are held and firmly bound to THE RESERVE BANK OF INDIA, PUBLIC  
 DEBT OFFICE, CALCUTTA, in the sum of

## APPENDIX II

Rupees of lawful money of British India to be paid to the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, or to the said Bank's certain attorneys successors or assigns for which payment to be well and truly made we bind ourselves and each of us our and each of our heirs executors administrators and representatives and every of them jointly and severally by these presents sealed with our respective seals Dated this       day of 19

Whereas a certain promissory note or security of the Government of India, No       of the       per cent Loan of       for Rs       , dated the       day of 19       , were drawn by the order and under the authority of the then Governor General of India in Council in favour of one

Here recite facts and defects in indorsements

And whereas the said       has applied to the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, to renew the said promissory note or security in       favour and in       proper name which the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, have consented and agreed to do on the said       with two good and sufficient sureties entering into and executing the abovescribed bond or obligation subject nevertheless to the condition hereunder written and whereas the above bounden

at the request of the said       have agreed to become sureties for       and to join with       in executing the abovescribed bond or obligation Now the condition of the abovescribed bond or obligation is such that if the above bounden       and each of them their and each of their heirs executors administrators or representatives or any or either of them shall from time to time and at all times hereafter well and effectually save defend keep harmless and indemnified the Governor General of India in Council and the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, and their lands tenements goods chattels and effects of from and against the issue of the renewed note or security in lieu and in place of the said promissory note or security of the Government of India, No       of the       per cent loan of       for Rupees       dated the       day of 19       , and standing in the name of       and

## APPENDIX II

also from the payment of all interest which has accrued due thereon and shall from time to time hereafter accrue due thereon and also of from and against all and all manner of actions suits claims and demands whatsoever which may be instituted commenced or prosecuted or made upon or against the Governor General of India in Council and the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, by any person or persons whomsoever being or claiming to be entitled thereto or for or on account or under colour of the said promissory note or security or of such renewed note or security as aforesaid or the interest now due and from time to time hereafter accruing due thereon respectively and of from and against all loss costs charges and expenses whatsoever which the Governor General of India in Council and the said RESERVE BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, shall sustain, incur, or be put to by reason or for or on account or under colour of the renewal of such promissory note or security or for or on account or under colour of the non-payment of such promissory note or security or of the interest now due or hereafter to accrue due thereon to any person or persons being or claiming to be entitled thereto or for or on account or by reason of these presents then the abovementioned bond or obligation shall be void and of no effect but otherwise the same shall remain in full force and virtue

*Signed, sealed and delivered*

## FORM XI

*(See rule 40 )*

**Form of Special Notes issued to Rulers of States in India.**

Government	per cent	loan of
Rs	At	per cent
Of <i>(name of loan)</i>		Public Debt Office,

*The Governor General of India in Council hereby promises to pay*

To His Highness the Raja of \_\_\_\_\_, or his successor  
the Raja of \_\_\_\_\_, for the time being, at the General  
Treasury at Fort William on *(here state the date or discharge of*



## APPENDIX II

*the loan*) Rupees  
 and to pay to the said Raja and His Successors Rajas of  
 for the time being, at the General Treasury above mentioned  
 interest on such sum from the to the date on which the  
 same shall become payable as aforesaid at the rate of per  
 cent per annum such interest to be paid by equal half-yearly  
 payments on the and on the in  
 every year Provided always that the said principal sum of Rupees  
 or any part thereof and the right to receive the  
 same and the interest thereon as aforesaid may at any time be  
 transferred absolutely by the Raja for the time being entitled to  
 receive the interest thereon and the Governor General of India in  
 Council hereby agrees on surrender of this special note to issue to  
 the said Raja or any of His Successors Raja of ,  
 for the time being and holder of this note, promissory notes of the  
 per cent Loan of in the usual form for the  
 whole or part of the said principal sum according to the request  
 of the Raja making the surrender and to any transferee or trans-  
 ferees under the power aforesaid, promissory notes of the same  
 Loan in the usual form for the amount transferred and to the said  
 Raja a special note in this form for any balance thereof not re-  
 presented by the notes so issued

Rs dated the day of No  
 19

*Superintendent,*  
 (Public Debt Office),

*Secretary to the Government of India*

## FORM XII

(See rule 43)

## Form of Indemnity Bond.

Know all men by these presents that I/we  
 am/are held and firmly bound unto the Governor General of India

*Superintendent.*

## APPENDIX II

in Council in the sum of\* Rupees of lawful money of British India to be paid to the said Governor General in Council his certain attorney successors or assigns for which payment well and truly to be made I/we bind myself/ourselves my/our heirs executors administrators and representatives [jointly and every two of us bind ourselves our heirs executors administrators and representatives jointly and each of us binds himself herself his and her heirs executors administrators and representatives severally] firmly by these presents sealed with my/our respective seal(s) Dated this day of in the Christian year one thousand nine hundred and and I/each of us the said

\*Double the amount of the notes and interest paid thereon since the respective dates of issue. [To be omitted if bond taken from one person only.]

do/doth hereby for myself/himself/herself and my/his and her heirs executors administrators and representatives covenant with the said Governor General in Council his successors and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the superintendence of the High Court of judicature at Fort Williams in Bengal other than the said High Court in its Ordinary Original Civil Jurisdiction the same may at the instance of the said Governor General in Council be removed into tried and determined by the said High Court in its Extraordinary Original Civil Jurisdiction

Whereas the above bounden

claims to be entitled

Here state in what capacity claim to the notes is made

to the several Government promissory notes specified and set forth in the schedule hereunder written and has caused to be represented to the said Governor General in Council that the said Government promissory notes have been

Set out representation made concerning the notes

And whereas the said

has/have applied to the said Governor General in Council for an inspection of the said notes and also for all other information and particulars respecting the said notes and whereas the Reserve Bank of India (acting in the premises for and on behalf of the said Governor General in Council) has agreed to give inspection of the said notes and to afford to the said

all information and

particulars affecting the said notes on condition of the said entering into and executing such bond as above written with such condition as hereunder is written

## APPENDIX II

Now the condition of the abovescribed bond or obligation is such that if the said

heirs executors administrators and representatives shall not and will not at any time hereafter sue the said Governor General in Council his successors in office or assigns (or the Secretary of State for India) or any agent employed by or officer or servant of the Government for or in respect of the said notes or the renewal or sub-division thereof or for the recovery of the value thereto or of any interest thereon or of anything done by the said Secretary of State in Council or his agents or servants in relation thereto and also shall and will save harmless and keep indemnified the said Secretary of State in Council his successors in office or assigns (or the Secretary of State for India) or any agents employed by or officer or servant of the Government against all claims demands or proceedings that may be made or instituted upon or against them or any of them by any person or persons whomsoever in consequence the Reserve Bank of India giving inspection of the said notes or of affording to the said information and particulars affecting the said notes then the abovescribed bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue

Signed, sealed and delivered by

In presence of

*Witness*

Occupation and address—

THE SCHEDULE REFERRED TO IN THE FOREGOING  
BOND

(To be omitted if the security in question was issued on or after 1st April 1937)

(To be omitted if the security in question was issued on or after 1st April 1937)

## APPENDIX III

## APPENDIX III.

1 In the case of the public offices named below a Government security may be made or endorsed payable to, or to the order of, the holder for the time being of the office, by the name of the office.—

Office of—

Accountants General

Accountant General, High Court, Bombay

Accounts Officers of Railways under construction

Archdeacons and Bishops.

Assistant Directors of Dairy Farms

Assistant Directors of Grass Farms

Assistant Directors of Supplies and Transport

Assistant Inspectors General of Police

Assistant to the Political Agent in Bundelkhand and  
Baghelkhand in charge Excise, Nowgong

Auditor General

Audit Officer, Indian Stores Department

Audit Officer, Vizagapatam Harbour Construction

Chemical Inspector of the Inspectorate of Lethal Stores

Chief Account Officer of Customs, Bombay

Chief Account Officer of Excise, Bombay

Chief Account Officer of Salt Department, Bombay

Chief Accounts Officers, State Railways

Chief Engineer, Central Public Works Department

Chief Engineer, Public Health Department, Bengal

Chief Engineer in Sind

Chief Medical Officer, North-West Frontier Province.

Chief Ordnance Officers

Clerk of the Crown, High Court, Bombay

Collectors of Customs, Calcutta, Bombay, Madras, Rangoon,  
Chittagong and Karachi

Commandants, Hill Depôts

Commander of a District

Commander of a Brigade or Brigade Area

Commissioner of a Division

Commissioner of Excise and Salt, Bengal

Commissioner of Excise, Bombay

## Office of--

Commissioner of Excise, Central Provinces.  
 Commissioner of High Court, Bombay.  
 Commissioner, Northern India Salt Revenue.  
 Commissioner for Workmen's Compensation  
 Comptrollers, Assam and North-West Frontier Province.  
 Conservators of Forests  
 Consulting Public Health Engineer to the Government of  
 Bombay  
 Controller of Chemical Defence Research  
 Controller of the Currency  
 Controller, Telegraph Stores  
 Controller of Marine Accounts  
 Controllers of Military Accounts  
 Controller of Accounts, Royal Air Force  
 Controller, Army Factory Accounts  
 Controller of Railway Accounts  
 Court Receiver, High Court, Bombay  
 Court of Wards in Sind  
 Court of Wards in the United Provinces  
 Deputy Assistant Directors of Supplies and Transport,  
 Independent Brigade Areas  
 Deputy Commissioners  
 Deputy Commissioner of Salt Revenue, Madras  
 Deputy Controller and Deputy Assistant Controller of  
 Military Accounts (Contracts), Simla  
 Deputy Conservators of Forests  
 Deputy Directors of Supplies and Transport, Commands  
 Deputy Inspectors General of Police  
 Director General, Indian Medical Service  
 Director of Contracts  
 Director, Imperial Institute of Agricultural Research  
 Director General of Posts and Telegraphs  
 Director of Industries, United Provinces  
 Director of the Medical College, Nova Goa  
 Director of Posts and Telegraphs, Sind and Baluchistan  
 Circle  
 Directors of Public Instruction  
 Director, Railway Clearing Accounts Office, Delhi  
 Director, Imperial Institute of Veterinary Research  
 Director General of Archæology in India

## APPENDIX III

Office of—

Director, Zoological Survey of India  
 Director, Central Research Institute, Kasauli  
 Director, All-India Institute of Hygiene and Public Health,  
 Calcutta  
 District Forest Officers  
 District Judges  
 District Magistrates and Collectors  
 District Officers of the Frontier Constabulary, North-West  
 Frontier Province  
 District Remount Officers  
 Divisional Engineers, Telegraphs  
 Electrical Engineer to the Government of Bombay  
 Electrical Engineer to the Government of Madras  
 Executive Engineers  
 Executive Officer-in-Charge, Excise, Mhow  
 Forest Economist, Forest Research Institute and College,  
 Dehra Dun  
 Forest Utilisation Officer, Madras  
 Garrison Engineers, Military Engineer Services  
 Imperial Serologist, Calcutta  
 Inspectors General of Police  
 Inspectors General of Prisons  
 Inspectors General of Registration  
 Inspectors of Lethal Stores  
 Inspectors of Schools  
 Inspectresses of Schools  
 Judicial Officer-in-Charge, Excise, Neemuch  
 Keeper of the Records of the Government of India  
 Librarian, Imperial Library  
 Master General of the Ordnance in India  
 Masters of the Mint  
 Master, Security Printing, India  
 Military Accountant General  
 Municipal Commissioner for the City of Bombay  
 Nautical Adviser to the Government of Burma  
 Officer Commanding a unit specified in the Appendix  
 Officers Commanding Remount Depôts  
 Officer Commanding a Station  
 Officer in Charge, Indian Army Service Corps Records.

## Office of—

Officer in Charge, Supply and Transport, Kashmir-Gilgit Agency.  
 Official Assignees  
 Official Receiver of the Court of the Judicial Commissioner in Sind  
 Official Receiver, Calcutta High Court  
 Ordnance Officer-in-Charge, Depots  
 Political Agents  
 Political Officer, Balipara Frontier Tract  
 Political Officer, Sadra Frontier Tract  
 Political Residents  
 Port Officer, Akra  
 Port Officer, Bassein  
 Port Officer, Moultan  
 Postmasters General  
 President, Forest Research Institute and College, Dehra Dun  
 Presiding Officer of a Court of Civil or Criminal Jurisdiction  
 Principal Police Training School, Nasik  
 Proof and Experimental Officer of the Inspectorate of Lethal Stores  
 Prothonotary and Senior Master, High Court, Bombay  
 Registrar of the Chief Court of Oudh  
 Registrar of Co-operative Societies, Madras  
 Registrar of the Court of Judicial Commissioner in the Central Provinces  
 Registrar of the Court of Judicial Commissioner in Sind  
 Registrars of High Courts  
 Registrars of all Presidency Courts of Small Causes  
 Registrar, Testamentary and Admiralty Jurisdiction, High Court, Bombay  
 River Transport Officer and Superintending Engineer, Mandalay  
 Sanitary Engineer to the Government of Madras  
 Secretaries to the Boards of Revenue  
 Secretaries to the Government of India  
 Secretary to a Local Administration  
 Secretary to a Local Government  
 Secretary to the Commissioner of Excise Madras  
 Secretary to the Resident at Hyderabad  
 Secretary, Cantonment Board

## APPENDIX III.

## Office of—

Secretary, Indian Central Cotton Committee  
 Secretary, Railway Board  
 Sheriff of Calcutta  
 Sheriff of Bombay  
 Stores Accounts Officer, North Western Railway  
 Superintendents of Education, Delhi, Ajmer-Merwara and  
 Central India and Baluchistan  
 Superintendent of Telegraph Workshops  
 Superintendents of Detention Barracks  
 Superintendents of Ordnance Factories  
 Superintendent of Manufacture, Clothing Factory,  
 Shahjahanpur  
 Superintendents of Police  
 Superintending Engineers  
 Surgeon General with the Government of Bengal  
 Surveyor General of India  
 Treasury Officers  
 Wasiqa Officer, Lucknow

## APPENDIX

*Royal Artillery* —A Brigade, Battery, Ammunition Column, Depôt or Training Centre

*Cavalry* —A regiment or group centre

*Sappers and Miners* —A Field Troop, Field Company, Divisional Headquarters Company, Army Troops or Depôt Company, a Detached Section, or any officer holding the appointment of Officer-in-Charge, Workshops, Superintendent of Instruction, and Corps Quarter Master

*Indian Signal Corps* —A Corps Signals, Divisional Signals, District Signals, a Cavalry Brigade Signal Troop, a Line of Communication Signal Company, a Depôt or Training Centre

*Infantry* —A battalion and in addition a depôt in the case of Gurkhas

*Indian Army Service Corps* —A supply unit an animal transport company an animal transport training company, a mechanical transport company repair unit or stores depôt



## APPENDIX III

*Medical Units*—A Royal Army Medical Corps Company, an Indian Hospital Corps Company, a British, Indian or Combined Military Hospital, a Command District or Brigade laboratory, Enteric Laboratory, Military Food Laboratory, Inspector of Army Dental Services in India, a Dental Centre, a medical store dépôt, a field ambulance, a casualty clearing station, a staging section, a general hospital, a hospital ship, a bearer unit, a motor ambulance convoy, an ambulance train, a sanitary section, an X-ray unit, dépôt of medical stores, a reserve dépôt, medical stores, a medical mobilization store, a convalescent dépôt

*Veterinary Units*—A hospital, a mobile section, a convalescent dépôt, an evacuating station, a base dépôt of stores

*Armoured Cars and Trains and Light Tank Company*—A battery or company

*Educational and Training Establishments*—A school of training or instruction

*Ordnance Establishments*—An arsenal, a dépôt

Auxiliary Force (India) and Indian Territorial Force units

2 In the case of the officers of Indian States and of the Colonial Governments named below, Government securities may be made, or endorsed payable to, or to the order of, the holder for the time being of the office, by name of the office

*Officers of Indian States*

Accountant General, Baroda State  
 Accountant General, Benares State  
 Accountant General, Bikaner State  
 Accountant General, Cutch Durbar  
 Accountant General, His Exalted Highness the Nizam's Government  
 Accountant General, Kashmir State  
 Accountant General, Mewar State  
 Accountant General, Patiala State  
 Administrator, Bastar State  
 Administrator, Nabha State  
 Assistant Administrator, Puddukkottai Durbar  
 Auditor and Accountant Morvi Railway  
 Auditor, Jodhpur Railway  
 Chief Accounts Officer, Junagadh State  
 Chief Medical Officer, Dhrangadhia State

## APPENDIX III.

*Officers of Indian States—contd*

Chief Minister, Jaora State  
 Chief Minister, Kapurthala State.  
 Chief Secretary, Benares State  
 Comptroller, Mysore State  
 Controller of State Accounts, Bhavnagar State.  
 Dewan, Baroda State  
 Dewan, Bhavnagar State.  
 Dewan, Dhar State  
 Dewan, Gondal State  
 Dewan, Mayurbhanj State  
 Dewan, Mysore State  
 Dewan, Nawanganar State  
 Dewan, Palitana State  
 Dewan, Rajpipla State  
 Dewan, Sangli State  
 Dewan Savantvadi State  
 Dewan, Travancore State  
 Dewan, Wankanar State  
 Educational Inspector, Cutch Durbar  
 Excise Commissioner, Hyderabad State  
 Finance Member, Executive Council, Hyderabad State  
 Finance Member, Government of Bhopal  
 Finance Minister, Gwalior State  
 Finance Minister, Jaipur State  
 Finance Minister, Government of Jodhpur  
 Financial Secretary, Dholpur State  
 General Manager, His Exalted Highness the Nizam's State  
     Railway  
 Huzur Secretary, Sandur State  
 Karbhari of the Kuundvad (Semol) State  
 Khangri Karbhari of Baroda State  
 Kishengarh Durbar  
 Khajanchi, Gondal State  
 Manager, Bhavnagar Durbar Bank  
 Manager and Engineer-in-Chief Bhavnagar State Railway  
 Manager Junagadh State Bank.  
 Manager, Palitana Darbar Bank  
 Minister, Khairpur State  
 Police Commissioner, Cutch State

*Officers of Indian States—concl'd*

Postmaster General, His Exalted Highness the Nizam's  
Government

President, Manipul State Darbar

Prime Minister of His Highness the Maharaja Holkar

Revenue Member, Executive Council, Hyderabad State

Revenue Secretary, Hyderabad State

Secretary to the Government, Cochin

Secretary to the Sandur State in the Finance Department

Superintendent, Hill State

Treasury Officer Mewar State

Wazir, Palanpur State

*Officers of Colonial Governments**(a) Ceylon*

Commissioners of Currency

Commissioners of the Loan Board

Deputy Chief Secretary

Deputy Financial Secretary

Inspector General of Police

Postmaster General

Public Trustee

Registrar General

Treasurer, Ceylon Savings Bank

*(b) Straits Settlements*

Accountant General, Supreme Court, Penang

## APPENDIX IV.

## APPENDIX IV

The following extract from the rules relating to Post Office 5-year Cash Certificates issued under the authority of the Government of India are given below

- Post Office 5-Year Cash Certificates for Rs 10, 20, 50, 100, 500, 1,000, 2,000, 3,000, 4,000 and 5,000, are obtainable at any post office doing savings bank work. Their purchase must be made by presenting a form of application which is prescribed for the purpose and which may be obtained at any post office doing savings bank business. The application may be made by a single person or in the joint names of two persons only, and may be tendered either personally or by a messenger. Cash certificates purchased by joint holders are issued on a special form and are of two classes, (A) payable to both the holders jointly or to any one of them with the consent of the other, and (B) payable to either of the joint holders

\* \* \* \*

(4) The total face value of cash certificates which may be held by one person whether in the capacity of a sole holder or a joint holder or both is limited to Rs 10,000. A declaration in the prescribed form must be made, on the occasion of each purchase, by the purchaser or purchasers to the effect that—

- (a) the total holding of the purchaser or purchasers will not after that purchase exceed this limit, and
- (b) the application, declaration and Post Office Cash Certificate Rules shall be the basis of the contract between the purchaser or purchasers and the Government of India

*Explanation*—The face value of any cash certificates transferred to a Government officer in his official capacity to be treated as security or purchased out of money retained by such Government officer as security or purchased out of the balance at the credit of the Teacher's Provident Fund amount standing open in his name shall, for the purpose of calculating the limit under this rule, be deemed to be the holding of the person on whose account the same are held as security or have been purchased as aforesaid

(5) Holdings in excess of the face value of Rs 10,000 will not carry any interest and when such an excess is discovered the holder is liable to be called upon to discharge the excess holdings immediately. Any interest or payment received by any holder in contravention of these rules should be refunded on demand, and may, in

addition to other remedies for the recovery thereof by the Government, be deducted from any money payable by the Government to the person obtaining such payment or his estate

*Exception* —The limit of Rs 10,000 specified in sub-rule (4) and the provisions of sub-rule (5) above do not apply to—

- (a) Government officers who, in their official capacities, are transferees of holdings of Cash Certificates treated as security,
- (b) Government officers holding certificates in a fiduciary capacity under notification in the official Gazette, and
- (c) the Reserve Bank of India in respect of certificates held on behalf of claimants in respect of lost, wholly destroyed or defective Government of India currency notes and Bank notes

*Explanation 1* —For the purposes of this sub-rule, the head offices together with the branches of a bank or other concern constitute a single holder

*Explanation 2* —The term ‘Government officers’ in *Exception (a)* above includes the Reserve Bank of India

A cash certificate cannot be purchased by a minor. It may, however, be purchased in the name of a minor either singly or jointly with that of another minor or jointly with that of an adult. The application for purchase on behalf of the minor should be made by an adult relative or guardian. The applicant for the purchase of a cash certificate on behalf of a minor must give the date of the minor’s birth in the application for purchase.

The holder of a cash certificate may transfer it to another person with the previous permission of the head postmaster of the office in which or in one of the sub-offices attached to which the certificates is for the time being registered. The transferee must furnish a declaration that his total holding of these certificates (including the amount to be transferred) does not exceed the permissible maximum of Rs 10,000 and that he agrees that this declaration shall be the basis of the contract between him, as the transferee of the certificate, and the Government of India. A new certificate bearing the same date of maturity as the original certificate will be issued to the transferee on the surrender of the original certificate duly endorsed by the transferor on the reverse of the original certificate “Pay to \_\_\_\_\_” under his signature and the date. The application for transfer of certificate

## APPENDIX IV

must be made in the prescribed form which may be obtained at any post office doing savings bank business

NOTE 1—The transfer of cash certificates in joint names (of both classes) requires the consent of both the joint holders

\* \* \* \*

NOTE 4—Transfer of a cash certificate standing in the name of a minor to that of another person requires the previous sanction of the Postmaster-General

The holder of a cash certificate may have it transferred free of charge to any post office doing Savings Bank work. If such a transfer is desired the holder should present or send to the post office in which the certificate is for the time being registered an application in the prescribed form accompanied by the cash certificate concerned. The entry of the transfer will be made by the Post Office on the back of the Cash Certificate.

NOTE 1—Applications for the transfer from one post office to another of cash certificate in joint names (of both classes) should be signed by both the joint holders

The purchasers of cash certificates may transfer their holdings of Cash Certificates to any officer of Government in his official capacity to be treated as security or authorise or consent to the purchase of cash certificates out of money retained by Government officers as security. The value of the security shall be the amount at which the cash certificates were purchased or their conversion value on the date the cash certificates are transferred, and not their face value. In all such cases cash certificates must be formally transferred to the Government officer concerned with the sanction of the Head Postmaster of the office in which, or any one of the sub-offices attached to which, the certificates are for the time being registered. The certificates may, with the permission of the Head Postmaster be re-transferred by the Government officer to the original holder when the purpose for which they were transferred is fulfilled.

Transfers of cash certificates by holders as security to private individuals, banks or other concerns are prohibited.

Recognition also will not be accorded to the deposit of or other dealings in cash certificates for the purposes of security as between individuals, banks or private concerns and Government accept no responsibility for repayment of certificates so dealt with otherwise than to the registered holder thereof.

## APPENDIX IV.

In order to avoid frequent transfers which would be involved in consequence of the change of incumbents, Government officers shall hold cash certificates as security in their official capacities only

*Explanation* —For the purpose of this rule the term " Government officers " includes any officer of the Government of an Indian State, the Posts of which have been amalgamated with the Imperial Post and such officers of Indian States as are authorised to hold Government Securities in their official capacities

*NOTE* —Government officers accepting cash certificates as security must satisfy themselves that the total face value of the cash certificates in the name of any person pledging these, does not exceed Rs 10,000

The amount shown on a cash certificate will be payable five years after the date of issue on presentation of the certificate at the post office in which it is for the time being registered. If the holder of a certificate desires to surrender it before the completion of five years, he will be entitled to payment the amount of which must depend upon the period which has elapsed since the issue of the certificate. An extract from the table of payments appears on the reverse of the certificate. A receipt for payment will be taken on the reverse of the certificate. No income-tax will be levied on the yield from these certificates and their payment will be made in all cases free of stamp duty

Cash certificates which mature (i.e., complete the five-year period from the date of original issue) on or after the 3rd April 1934 will not earn any further interest if retained beyond the date of maturity

(a) Cash certificates standing in the name of a minor, other than a married female minor, may, under orders of a Head Postmaster, be discharged by the father or, if he be dead, by the mother of the minor, provided that the current value of all cash certificates standing in the name of the minor does not exceed Rs 5,000 on the date the application is made by the claimant. If the applicant for payment is neither the father nor the mother of the minor and the current value of all cash certificates does not exceed Rs 5,000 on the date of application, the Postmaster General may authorise payment on production of a certificate by the Magistrate of the District in which the minor ordinarily resides to the effect that the applicant is the actual guardian of the minor. In the case of cash certificates standing in the name of a married female minor, all

## APPENDIX IV

applications for discharge should be referred to the Postmaster General for orders. Except in cases in which the applicant himself has stated that the current value of all cash certificates standing in the name of the minor exceeds Rs 5,000 the applicant must furnish a declaration in the form given below. In cases in which the current value of all cash certificates standing in the name of the minor exceeds Rs 5,000, on the date of application, payment shall only be made under the orders of the Postmaster General to the legal guardian.

*(Form of Declaration)*

I hereby declare that to the best of my belief and knowledge there are no cash certificates standing in the name of the minor (name) other than those specified below. If any more cash certificates in the name of the minor be found afterwards and thereby the current value of the entire holding of the minor exceeds Rs 5,000 on this date, I undertake, if required to do so, to produce within three months from the date of demand an order of a competent court of law appointing me or declaring me to be the guardian of the property of the minor, failing which I shall hold myself liable to refund the value of the cash certificates to be paid to me on behalf of the minor, with interest thereon at the rate of 6 per cent per annum.

*N B*—A natural legal guardian will not be required to obtain and produce an order of a competent court of law appointing or declaring him to be the guardian of the property of the minor.

(b) Cash certificates standing in the name of a minor and encased for payment at the India Office shall be payable to the natural or legal guardian or to any other person under the orders of the Secretary of State for India, provided that when the current value of all cash certificates standing in the name of the minor exceeds Rs 5,000 on the date the application is made payment to person other than the legal guardian will be made only on the execution of an indemnity bond. Except in cases in which the applicant himself has stated that the current value of all cash certificates standing in the name of the minor exceeds Rs 5,000, on the date of application, the applicant must if he is not the legal guardian, furnish to the India Office a declaration to the effect that to the best of his belief and knowledge there are no cash certificates standing in the name of the minor (name) other than



## APPENDIX IV

those specified in the declaration and that if any more cash certificates in the name of the minor be found afterwards and thereby such current value exceeds Rs 5,000, the applicant will enter into a bond of indemnity

\* \* \* \*

Payment of the amount due on a cash certificate will ordinarily be made only at the post office at which the certificate is for the time being registered. The holder may, however, apply for payment at any post office doing savings bank business. In the latter case payment will be made at the post office at which application is made after the certificate has been verified by the office in which it is for the time being registered.

**Note**—If cash certificates standing in the name of a minor are presented for encashment at an office other than the office of registration, they should be paid only after they have been verified by the postmaster of the office at which they are registered irrespective of their amount. Exceptions 1 and 2 under this rule are not applicable to these cases.

*Exception 1*—Cash certificates of the face value of Rs 100 and under, presented by the holder will be encashable at any post office doing savings bank business, other than the one where they stand registered, to an aggregate limit of Rs 250 in each case, on the satisfactory identification of the holder either by a member of the clerical staff of the post office of the locality or by a respectable resident of the locality.

*Exception 2*—Cash certificates of the face value of Rs 500 or Rs 1,000 or of an aggregate value exceeding Rs 250 will be paid to the holder at any post office doing savings bank business, other than the one where they are registered provided that the holder is personally known to the postmaster or produces a respectable resident of the locality who identifies him and enters into an indemnity bond for the amount to be paid.

Payment of a cash certificate issued in joint names and belonging to class A referred to in rule 1 can be made only on the signatures of the joint holders. Payment will, however, be made to one of the joint holders on a letter of consent from the other holder addressed to the postmaster.

Payment of a cash certificate issued in joint names and belonging to class B can be made on the signature of either of the joint holders.

A holder of cash certificates may discharge a part of his holding by making an application to the postmaster of the office in which the certificates are at the time registered, mentioning the amount

## APPENDIX IV

he desires to be repaid to him and the numbers and denominations of the certificates which will form the balance

\* \* \* \*

Several cash certificates of lower denominations may be exchanged for one or more certificates of a higher value or a certificate of a higher value may be exchanged for a number of Cash Certificates of lower denominations on application to the postmaster of the office in which the certificates are at the time registered

\* \* \* \*

If a holder of cash certificates should die leaving certificates the sum due on which at the time of death does not exceed five thousand rupees, and if probate of his will, or letters of administration of his estate, or a certificate granted under the Indian Succession Act (Act XXXIX of 1925), be not produced to the Postmaster-General within three months of the death of the said holder the Postmaster-General may pay the sum for the time being due on the certificates to any person appearing to him to be entitled to receive it or to administer the estate of the deceased on his furnishing a declaration to the following effect —

I/we hereby declare that my/our deceased (relationship) the late (name of holder) held at the time of death no cash certificates other than those detailed below. If any more cash certificates in the name of the deceased be found afterwards and thereby the sum due on the entire holding at the time of death of the holder exceeds Rs 5,000 I/we undertake that I/we shall produce legal evidence of heirship, as required by the post office

NOTE 1—The postmaster of the office of registration of cash certificates unless it is an extra-departmental sub-office, may exercise these powers of the Postmaster-General on the same conditions in cases in which the sum due at the time of death of the holder of the certificates standing in the name of a single investor does not exceed one hundred rupees

NOTE 2—Cash certificates standing registered at a Post Office in Burma in the name of a deceased member of the Burma Military or Civil Police Force whose estate is subject to the disposal of Police Officers Estate Act, 1922 (Burma Act No VIII of 1922), shall be payable on application to an authorised officer of the Committee constituted under section 3 of the said Act

NOTE 3—Cash certificates belonging to a deceased holder, the payment on which is desired in the United Kingdom, should be presented for payment at the India Office London, together with the evidence of claim

Certificates purchased in joint names are *ordinarily* payable to the surviving joint holder when one of the joint holders is

## APPENDIX IV

dead, and the head postmaster of the office in which or in one of the sub-offices attached to which the certificates are for the time being registered is competent to issue orders of payment in such cases. When both the joint holders are dead such certificates are payable under the orders of the Postmaster-General, to the representative of the *last* surviving joint holder.

Holders of cash certificates who subsequently leave India, may obtain during their stay abroad payment of their certificates in the United Kingdom at the rate of exchange current at the time of encashment. Holders who wish to avail themselves of the concession must apply in the prescribed form to the post office in which the certificates are for the time being registered for their encashment by the head postmaster for payment at the India Office, London. In case, however, the encashment—or the payment—of cash certificate is required after the holders have left India the applications should be made through the India Office, London.

If a cash certificate is lost or destroyed the investor will be entitled to a declaration in lieu of it from the Deputy Accountant-General, Posts and Telegraphs, on his furnishing a statement in writing to the post office in which it is at the time registered giving particulars of the cash certificate and explaining the circumstances in which it was lost or destroyed. A declaration issued by the Deputy Accountant-General, Posts and Telegraphs, under this rule will be treated as equivalent to the original cash certificate for all the purposes of the preceding rules. A fee on the scale specified below shall be charged for the issue of a declaration by the Audit Office in lieu of a cash certificate lost or destroyed while in the custody of the holder —

For a cash certificate of the denomination of—

Rs 10 or Rs 20	Four annas
Rs 50 or Rs 100	Eight annas
Rs 500 and above	One rupee

Exceptions 1 and 2 under rule 6 (8) will not apply in this case.

NOTE 1.—In the case of cash certificates issued in joint name of both the classes referred to in rule 1 the statement must be signed by both the joint holders if they are alive.

If a cash certificate is spoilt a new cash certificate bearing the same date of maturity as the original certificate will be issued to the holder by the head postmaster of the office in which or in one of the sub-offices attached to which the certificate is at the time registered, on the holder surrendering the spoilt cash certificate.

## SCHEDULE OF FORMS.

No	Description of Forms	Paragraphs in the Manual containing reference to Forms	Page of Manual.
1	Application for conversion of securities and acknowledgment of receipt of securities tendered for conversion	17 (b), 18 (c), 21	17, 18, 19
2	Register of securities tendered for renewal, consolidation, sub division or conversion	18 (c), 63, 68 (u), 120	18, 75, 80, 121
3	Register of Interest Warrants .	31 (a) & (c)	32
4	Payment order of coupons of bearer bonds at a sub treasury	29, 35	29, 35
5	Register of bonds registered for payment of interest at a treasury	29, 36	29, 35
6	Register of coupons paid . . .	36	35
7	Cancelled . . . . .	.	.
8	Cancelled . . . . .	.	.
9	Register of promissory notes enfaced for payment of interest at a treasury.	28, 29, 39 (a), 41 (vi) (4), 42 (d) (u), 43 (e), 44 (2) & (3), 84	27, 29, 37, 43, 46, 47, 48, 49, 92
10	Memorandum of advice of re enfaced notes .	39 (d)	39
11	Cancelled . . . . .	.	..
12	Cancelled . . . . .	..	..
13	See Form IV in Appendix II .	42 (b)	157
14	Register of payment of interest .	42 (d) (u), 43 (e)	46, 47
15	Payment order of interest on promissory notes at a sub treasury	28, 29, 43 (c), 44 (4)	28, 29, 47, 49
16	Register of Powers of-Attorney, Probates, Succession Certificates, etc.	57	68
17	Acknowledgment for securities tendered for renewal, consolidation or sub division	63, 68 (u), 120	75, 80, 121
18	Covering list to accompany securities forwarded for custody	101 (b) (u)	105
19	Register of Government securities deposited for safe custody	109 (a)	111

## FORMS.

SCHEDULE OF FORMS—*contd*

No	Description of Forms	Paragraphs in the Manual containing reference to Forms	Page of Manual.
20	Annual list of promissory notes deposited as security	112	114
21	Application for safe custody of Government promissory notes	115 (b)	115
22	Acknowledgment of receipt of Government promissory notes received for safe custody at the treasury	115 (c)	116
23	Ledger Account of Government promissory notes	115 (c)	116
24	Application for withdrawal of Government promissory notes held in safe custody	116 (a)	117
25	Register of receipts and disposal of notes held in safe custody	115 (d), 116 (b)	116, 117
26	Interest Distribution Register	117	118
27	Advice list of promissory notes sent for renewal	69 (b)	82
28	Covering list of promissory notes returned from safe custody	116, Note (t)	117
29	Certificate deduction of income tax from the interest realised on bearer bonds	27	25
30	Certificate of deduction of income tax from the interest on promissory notes	27	25
31	Particulars to be furnished for giving a notice of stop against a Government security	41 (2)	48
32	Acknowledgment receipt for subscriptions to a new loan	85	93
33	List of applications to a new loan received	85	93
34	Register of securities tendered in subscription to a new loan	85	93

*Form of application for conversion of*

<u>stock certificates</u> <u>bearer bonds</u>	<u>into</u>	<u>promissory notes</u> <u>stock certificates</u>
stock certificates bearer bonds		stock certificates bearer bonds

request that the undermentioned \_\_\_\_\_ may be converted into promissory notes of the denominations noted

<u>promissory notes</u> <u>bearer bonds</u>	<u>into</u>	<u>stock certificates</u> <u>promissory notes</u>
promissory notes bearer bonds		stock certificates promissory notes

Signature of holder

NOTE.—Score out stock certificates, bearer bonds or promissory notes, in the above form as the case may be. For instance for the conversion of promissory notes into stock certificates, columns 7 and 8 in the above table are not required and may be scored out.

\*Number of pieces should be specifically mentioned

No. . date

Forwarded to the Manager, Reserve Bank of India, Public Debt Office,	, for necessary action
<u>Treasury</u>	<u>Coupon</u>
Reference No	Date
Number of pieces required of the value of Rs	and respectively
and credited in cash account of the	Amount of fees realized for conversion Rupees annas
	<i>Treasurer</i>
	(Signature ) <i>Treasurer Office</i>

Form 1—*contd.*

STOCK CERTIFICATES PARTICULARS OF BEARER BONDS PROMISSORY NOTES		TENDERED FOR CONVERSION		PARTICULARS OF SECURITIES REQUIRED IN EXCHANGE			
(1) Loan	(2) Number of stock certificate bearer bond promissory note	(3) Value of security	(4) Date of last half-yearly interest payment or in the case of bearer bond date up to which coupons have been paid	(5) Interest due under paragraph 20	(6) Stock certificates	(7) Bearer bonds	(8) Promissory notes
					Loan	Value *	Loan
						Value *	Value *
		Rs		Rs A P	Rs	Rs	Rs
	TOTAL		TOTAL		TOTAL		TOTAL

Received the securities tendered for conversion as specified above

Received the stock certificates  
bearer bonds required in  
promissory notesexchange for the securities tendered for con-  
version as specified above.

(Signature.)

Date of delivery

Treasury Officer

Signature of the holder.

Date \_\_\_\_\_

Treasury \_\_\_\_\_





## Form 3.

*Register of Interest Warrants*

Date of receipt	Printed number	Amount of each warrant	To whom payable	Date of payment	Initials of the Treasury Officer.
		Rs      A      P			

NOTE — When an interest warrant is returned to the Public Debt Office in terms of paragraph 31 (c), the fact should be noted in the last column against the relevant entry under the Treasury Officer's initials.

## FORMS.

**Form 4 (Obverse).**

(To be retained at the Sub treasury )

From—The Treasury Officer,

To—The Sub treasury Officer,

The present holder of the bearer bond detailed below has applied for the payment of the coupons from your sub treasury

Please verify the particulars given below with those given on the coupons when they are presented at your sub treasury for payment —

Loan to which the bearer bond relates	Amount and Number of the bearer bond the coupons of which are payable at the sub-treasury	Amount of interest due on each coupon		
		Rs	A	P

(2) After verification of these particulars you should pay the interest due and should record the payment of the interest in the columns on the reverse of this form

Treasury Officer

N

FORMS.

Form 4 (Reverse).

*Details for the payment of interest*

Interest for the half year ending the	Date of payment of interest at the sub treasury	Sub Treasury Officer's initials

## FORMS

**Form 5.**

Register showing the particulars of bonds registered for payment of interest at the \_\_\_\_\_ treasury \_\_\_\_\_ % loan of \_\_\_\_\_.

[illegible]



Register of promissory notes enforced for payment of interest at the \_\_\_\_\_ treasury \_\_\_\_\_ per cent loan of \_\_\_\_\_.

[illegible]

**NOTE**—The entries in the sub columns of 8 should be attested by the dated initials of the Treasury Officer. When interest payment vouchers are passed by a Treasury Officer before the due date in terms of paragraph 42 of the Manual, the pay order and the entry in column 8 should be dated with the due date and not with the date on which the pay order may actually happen to be passed. In such cases, the payment order should not, however, be delivered to the party before the due date.

## FORMS.

**Form 10 (Obverse).***Memorandum of advice of re-enfaced notes*

A	B.	C.
Place No .... Date .	Place . No Date	Place . . . No . . . Date .
<p>Payment of interest on the notes mentioned on the Reverse has this day been transferred to Calcutta/Bombay/Madras/Delhi</p> <p>2 The enfacements on the notes have been altered and interest thereon paid in this treasury up to . . .</p> <p>3 The Public Debt Office, Calcutta/Bombay/Madras/Delhi, has been advised</p> <p>4 The Public Debt Office, Calcutta, has also been advised</p> <p style="text-align: right;"><i>Treasury Officer</i></p>	<p>To</p> <p>The Manager,            Reserve Bank of India,            Public Debt Office, Calcutta/            Bombay/Madras/Delhi</p> <p style="text-align: center;">Memo.</p> <p>On the application of . . . ,            the holder of the notes mentioned on the Reverse, the payment of interest on them has this day been transferred to Calcutta/Bombay/Madras/Delhi</p> <p>2 Interest on these notes has been paid from this treasury up to . . .</p> <p style="text-align: right;"><i>Treasury Officer</i></p>	<p>To</p> <p>The Manager,            Reserve Bank of India,            Public Debt Office,            Calcutta</p> <p style="text-align: center;">Memo.</p> <p>On the application of . . . ,            the holder of the notes mentioned on the Reverse, the payment of interest on them has this day been transferred to Calcutta/Bombay/Madras</p> <p>2 Interest on these notes has been paid from this treasury up to . . .</p> <p style="text-align: right;"><i>Treasury Officer.</i></p>

*N B*—An enfacement advice as in column B above should in all cases be sent immediately by registered post to the Public Debt Office on which the notes are re enfaced. An enfacement advice as in column C above should also be sent by registered post to the Public Debt Office, Calcutta, in the case of loans which have not been decentralised. This additional advice is not required in the case of decentralised loans (see paragraphs 2 and 124)





## FORMS

**Form 14.**

*Register of payment of Interest on promissory notes*

[illegible]

\*In these sub columns the rate per cent and the year of the loan (e.g., 4 per cent Loan of 1960-70) on which interest is paid should be entered, one column being utilised for each different loan.

## FORMS

## Form 15 (Obverse).

(To be retained at the Sub treasury )

From—The Treasury Officer, \_\_\_\_\_

To—The Sub Treasury Officer, \_\_\_\_\_

The present holder of the Government promissory note detailed below has applied for the payment of interest on it from your sub treasury

Please verify the particulars given below with those given in the Government promissory note when it is presented at your sub treasury for payment —

\_\_\_\_\_ percent Loan of—\_\_\_\_\_

No of the note	Value of the note	Name of the present holder	Date up to which interest has been paid	No and date of income tax exemption abatement certificate

(2) After verification of these particulars you should pay the interest due, and should record the payment of the interest in the columns on the reverse of this form and also in the proper cage on the back of the promissory note before paying the money to the holder of the note

(3) In the case of any change of ownership by transfer endorsement, the note should be forwarded to the district treasury for instructions

Treasury Officer.

## FORMS.

## Form 17.

*Receipt.*

Stock certificates                      renewal  
Bearer bonds                      received for consolidation  
Promissory notes                      subdivision

From whom received	PARTICULARS OF SECURITIES RECEIVED			
	Number	Per cent	Loan	Amount
			Total Rs	

The \_\_\_\_\_ Treasury.

The \_\_\_\_\_ 19

*Treasury Officer*

*Acknowledgment.*

Received the securities specified below in lieu of the securities mentioned above

Number	Per cent	Loan	Amount

*Signature of the holder* \_\_\_\_\_

*Date* \_\_\_\_\_



**Form 19.**  
*Register of Government securities deposited for safe custody*

Serial No	Date of deposit	By whom deposited	PARTICULARS OF NOTES				Number and date of letters returning the notes	REMARKS
			No	Per cent	Loan	Amount		

Annual list of Government promissory notes in the custody of \_\_\_\_\_ on the 31st December 19 \_\_\_\_\_

\* Sub columns for the other loans should also be opened in this list as and when required

## FORMS

## Form 21.

*Form of application for safe custody of Government promissory notes at a treasury*

I request that the undermentioned Government promissory notes enclosed herewith, which are enfaced for payment of interest at the \_\_\_\_\_ treasury, may be kept in safe custody at that treasury and interest thereon, as it falls due, may  
in person

be paid to me by money orders The notes have been endorsed in  
by cash order at the sub treasury  
favour of the Treasury Officer

PARTICULARS OF NOTLS PRESENTED FOR SAFE CUSTODY

Number	Description of loan	Amount	Interest paid up to
		Total Rs. .	

*Signature of the depositor or his duly  
authorised agent*

Date \_\_\_\_\_ 19 .

Address \_\_\_\_\_

To

The Treasury Officer.

*N B*—Please note that when it is desired to deposit notes for safe custody for any lengthy period, it will be more convenient to the holder to convert them into stock certificates, as in the case of such certificates warrants for payment of interest are issued without separate application and without presentation of the certificate and can be made payable at any treasury or sub treasury.

No fee is charged for the conversion of promissory notes into stock certificates







## FORMS.

## Form 24.

*Form of application for withdrawal of Government promissory notes  
held in safe custody*

I request that the undermentioned Government promissory notes held in safe custody at the \_\_\_\_\_ Treasury on my behalf may be returned to me direct by post duly endorsed in my favour. I enclose herewith the original receipt No \_\_\_\_\_ dated \_\_\_\_\_ granted by the Treasury Officer.

### PARTICULARS OF NOTES TO BE RETURNED

Number	Loan	Amount	Interest paid up to
		Rs	
	Total		

*Signature of the Depositor.*

Date.....

Address . . . . .

To

THE TREASURY OFFICER,



FORMS.

Form 26.  
*Interest Distribution Register*

1	Date of drawal of interest	
2	Reference to ledger account	
3	Name of the Depositor.	
4	Number of note	
5	Per cent	
6	Loan	
7	Amount	
Interest for the period		
8	From	To
9	Amount of interest	
10	Amount of Income tax.	
11	Net amount payable	
12	* How paid-in cash or by Postal M O or by credit to personal ledger account	
13	T O's initials.	
14	Number and date of receipt of payee's acknowledgment	

\* The particulars of cash orders or of the postal receipt for money orders or of the personal ledger account should be noted.

## FORMS.

## Form 27.

No \_\_\_\_\_ of \_\_\_\_\_ treasury

Date \_\_\_\_\_.

FROM

THE TREASURY OFFICER,

TO

THE SUPERINTENDENT,  
PUBLIC DEBT OFFICE,  
RESERVE BANK OF INDIA

SIR,

I have the honour to forward herewith, for renewal, the undernoted Government promissory notes

I have the honour to be,

SIR,

Your most obedient servant,

*Treasury Officer.*

## MEMO.

Serial No.	No of Note.	Description of Loan	Amount of the Note	Holder's Name	NOTES REQUIRED.	
					How many.	For R each

## COUPON.

Reference No. \_\_\_\_\_, date \_\_\_\_\_, No. \_\_\_\_\_, Loan \_\_\_\_\_,

Amount Rupees \_\_\_\_\_ annas \_\_\_\_\_.

*Credited in cash account of* \_\_\_\_\_*Treasury Officer.*



## FORMS.

## Form 29.

*Certificate of deduction of income-tax from the interest on bearer bonds.*

Dividend No of coupon

(vide paragraph 34 of the Manual).

Certified that Rupees , being income tax at the rate  
 of pies per rupee has been deducted from the interest coupons for  
 Rupees presented for payment being the amount of interest on bearer  
 bonds for Rupees of the per cent loan of , said to  
 be the property of .

TREASURY,  
 The 193 . }

Treasury Officer.

*To be signed by claimant.*

I hereby declare that the bearer bonds on which interest, as above specified, has  
 been received are my own property and are in the possession of

Signature. . . . .

Date . . . . .

*N B* —The securities to be produced, when required, in support of any claim

*Note* —This certificate should not be returned to the Public Debt Office. In case  
 you desire to claim a refund of the whole or any part of the tax deducted,  
 as shown above, on the ground that your total annual income is less  
 than that to which the maximum rate of income tax applies, you should  
 send this certificate to the income tax office direct with an application  
 in the prescribed form obtainable from that office

## FORMS.

## Form 30.

*Certificate of deduction of income-tax from the interest on promissory notes.*

Number of receipt for interest

(*vide* paragraph 42 of the Manual)

(This number should also appear in the interest cages on the back of the certificates)

Certified that Rupees , being income-tax at the rate of pies per Rupee has been deducted, in the interest receipt of this date, from Rupees , being the amount of interest on Government promissory notes for Rupees of the per cent loan of , standing in the name of

*Treasury,* } *Treasury Officer*  
*The* . 19

*To be signed by claimant*

I hereby declare that the Government promissory notes on which interest, as above specified, has been received are my own property and are in the possession of

*Signature* ..

*Date* . . .

*N B* —The securities to be produced, when required, in support of any claim

*Note* —This certificate should not be returned to the Public Debt Office. In case you desire to claim a refund of the whole or any part of the tax deducted, as shown above, on the ground that your total annual income is less than that to which the maximum rate of income-tax applies, you should send this certificate to the income-tax office direct with an application in the prescribed form obtainable from that office



## FORMS.

**Form 31:**

*Particulars to be furnished for giving a notice of stop against a Government security.*

1. The series, number, face value, and other particulars of the Note
- 2 The name of the party in whose favour the Note stood endorsed and in respect of whom the claim is made
- 3 The capacity in which the applicant is making his claim if he does not allege that the Note stood in his name or was in his personal possession, *c g*, as heir, succession certificate holder, attorney, etc, to the party through whom he claims
- 4 The latest date on which the Note was known to be in the possession of the party in respect of whom the claim is made
- 5 The circumstances, if known, in which the Note passed into adverse possession and the grounds on which the claim is based

I certify and declare that the above particulars are true to the best of my knowledge and belief

*Signature in full* . . . . .

*Address* . . . . .

*Date* ..... . .

*Party identified before me*

Magistrate

Treasury Officer or sub-Treasury Officer

Bank Official

(or some person known to the Treasury)

*Date*..... . . . .

## FORMS.

**Form 32.***Acknowledgment receipt for subscriptions to a new loan*

Received from . . . . .

Cash	
Cheque for	Rs . . . . .

Securities of the (a) . . . . . of the

nominal value of Rs . . . . .

for the purchase of the (b) . . . . . of the

nominal value of Rs . . . . .

Station . . . . .

Dated the

Treasury Officer.

(a) Here put in the description of the loan to which the Securities belong

(b) Here put in the description of the new loan.



## FORMS.

**Form 34.**

*Register of Securities of* . . . . . (a) . . . . . *received in*  
*subscription to* . . . . . (b) . . . . .

### Promissory Notes

Stock Certificates (c)

## Bearer Bonds

Serial No	No of the application in Form 33 with which received	Particulars of Securities tendered (d)		Name of treasury or sub treasury where enfaced or registered for payment of interest	
		No	Amount		

- (a) Here put in the description of the loan (e g, 5% Loan, 1939-44) to which the security tendered belongs
- (b) Here put in the description of the new loan
- (c) For each form of security (e g, a promissory note or stock certificate) a separate sheet of this form should be used
- (d) In the heading below this put in the description of the loan to which the security tendered in subscription belongs, separate sheets being used for different loans when securities of several loans are acceptable in subscription

## INDEX.

	Paragraph	Page
<b>A</b>		
<b>Abatement—</b>		
of rate of income tax deduction from interest .	27, 104	25, 107
<b>Adjustment—</b>		
of interest in case of conversion of securities .	23	20
<b>Administrator—</b>		
Documents to be produced by — before endorsement can be recognised .	54 (2)	64
<b>Advantages—</b>		
Comparative — of the different forms of securities .	7	9
of renewal of promissory notes .	64	75
<b>Attorney—</b>		
Documents to be produced by — before endorsement can be recognised	54 (4)	65
Power of — to dispose of securities not to be recognised by Treasury Officer without reference to Public Debt Office . . . . .	<i>Ibid</i>	—
<b>B</b>		
<b>Banks—</b>		
Endorsements by — when may be recognised .	52 (2)	61
<b>Bearer Bonds—</b>		
Compared with stock certificates and promissory notes	6 (11)	8
Conversion into stock certificates or promissory notes .	15	15
<b>Coupons—</b>		
Payment of interest — how made . . . . .	32	33
Payment of interest — where payable . . . . .	35	33
Payment of interest — procedure for payment at treasuries . . . . .	34	34
Payment of interest — procedure for payment at sub- treasuries . . . . .	35	35

## INDEX.

	Paragraph	Page
<b>Bearer bonds—<i>contd</i></b>		
Custody — not to be received in — by Government Officers	98	103
Definition of —	5 (u)	5
Denominations in which issued	120	122
Description and characteristics of —	6 (u)	8
Duplicate —, issue of in case of loss	122	123
Endorsements on — will not be recognised	6 (u)	8
Exchange — not issued in — for stock certificates or promissory notes when holders' powers are limited	11	15
Income-tax deduction and exemption certificates — registration of	27, 28, 29 and 104	25, 27, 28, 107
Loss of — procedure for obtaining duplicates	122	122
Registration of —, coupons of which are payable at treasuries	34, 36	34, 35
Renewal of —	63	75
Repayment of principal of —	91	96
Transfer to London	123	123
Transfer of ownership effected by mere handing over	6 (u)	8
<b>Blank endorsements—</b>		
Promissory notes bearing — not to be received	47	52
<b>Bodies Corporate—</b>		
Endorsement to or by —	52 (3)	61
<b>Book Debt—</b>		
Same thing as Stock <i>See</i> under "Stock Certificates"		
<b>C</b>		
<b>Cash Certificate</b>	8	10
<b>Certificates of—</b>		
Abatement of rate or exemption from payment of income-tax	27, 104	25, 107

## INDEX.

	Paragraph	Page
<b>Certificates of—</b>		
Death — . . . . .	49 (2)	54
Guardianship —, when necessary . . . .	41 note (vi)	43
Guardianship —, registration at treasury . . . .	54 (3), 55, 57	65, 67, 68
Magistrate or District Magistrate as to guardianship of minors or lunatics . . . . .	41 note (vi)	43
District Magistrate as to heirship . . . . .	66, 82, 96	77, 91, 100
Marriage —, when necessary . . . . .	56 (3), 58	68, 70
Stock —, see thereunder—		
Succession —, when necessary . . . . .	54 (1), 119	64, 120
Succession —, registration at treasury . . . .	55, 57	67, 68
Succession —, must specify the securities to which they relate . . . . .	57 (4)	68
<b>Charitable Endowments—</b>		
Vesting of securities to a Treasurer of Charitable Endowments . . . . .	54	67
<b>Commission—</b>		
Payment of — on sale of promissory notes held in custody or on purchase from funds held in trust . . . .	111	113
Not charged in case of—		
(i) Investment through the Post Office . . . .	111 note (3)	113
(ii) Security deposits of Government servants . . . .	111 note (1)	113
<b>Consolidation of securities . . . . .</b>	120	121
<b>Conversion of—</b>		
Adjustment of interest in case of —, when necessary . . . .	23	20
Bearer bonds into stock certificates or promissory notes . . . .	15	15
Fees for — . . . . .	22	19
Promissory notes into stock certificates or bearer bonds . . . .	16	16
Securities from one form to another, how effected . . . . .	12	14

## INDEX.

	Paragraph	Page.
<b>Conversion of—<i>contd</i></b>		
Securities of one loan into another form of security of a different loan . . . . .	13	14
Treasury procedure for dealing with application for —	17, 18	16, 17
Stock certificates into bearer bonds or promissory notes	14	15
<b>Counterpart Notes . . . . .</b>	60 (1)	12
<b>Coupons—</b>		
Payment of interest — <i>see</i> under “ bearer bonds ”		.
<b>Custody of promissory notes at treasuries—</b>		
Interest on notes so held, realisation and payment of	117	117
Treasury procedure for dealing with applications for —	107, 108, 115	109, 110 115
When permissible . . . . .	115	115
Withdrawal of promissory notes so held . . . . .	116	117
<b>D</b>		
<b>Decentralisation of loans . . . . .</b>	124	124
<b>Deceased holders—</b>		
Special procedure in certain cases . . . . .	67, 82 (b), 96 (b), 119	79, 91, 101, 120
<b>Decree of a Court—</b>		
Transfer of ownership by — . . . . .	54	66
<b>Deduction of—</b>		
Income-tax from interest on promissory notes . . . . .	27, 28, 29, 104	25, 27, 28, 107
“ “ stock certificates . . . . .		
“ “ bearer bonds . . . . .		
<b>Deposit Receipt—</b>		
Issue of — in favour of guardians, executors, etc, when power is limited to drawal of interest only	121	122
<b>Documents—</b>		
Production of — conveying limited powers . . . . .	55	67
Production of — in support of claim to dispose of promissory notes by persons other than last endorsee	54	64
Production of — in proof of death of joint-holder relating to corporate bodies, and to marriage . . . . .	56	67
Treasury procedure in registering — . . . . .	57	68



## INDEX

	Paragraph	Page
<b>Duplicates—</b>		
Issue of — securities to replace those which have been lost . . . . .	122	122
<b>E</b>		
<b>Endorsement of promissory notes—</b>		
Administrators, — to or by . . . . .	50	57
Alternative — . . . . .	49 (3)	55
Banks, — to or by . . . . .	52 (2)	61
Blank — not to be received . . . . .	47	52
Bodies corporate, — to or by . . . . .	52 (3)	61
Change of ownership can only be effected by — . . . . .	45	51
Courts, — by . . . . .	54	64
Documents necessary to validate — in certain cases . . . . .	54	64
Executors, — to or by . . . . .	50	57
Firms, — by mercantile . . . . .	51	59
Firms, — with impersonal names . . . . .	52 (1)	60
Government Officers — to or by . . . . .	52 (4)	62
Guardians, — to or by . . . . .	53, 54 (3)	62, 65
Illiterate persons — by . . . . .	59	71
Joint — . . . . .	49 (2)	54
Judicial Officers, by pursuant to a decree . . . . .	54	64
Must be written in proper place . . . . .	45	51
Office holders, — to or by . . . . .	52 (4)	62
Scrutiny of —, necessity for . . . . .	40, 46	39, 51
Signatures of —, who can sign . . . . .	49 to 54	53 64
Simple — . . . . .	49 (1)	53
Trustees — to or by, how to be treated . . . . .	53	62
Valid forms of — . . . . .	47	52

## INDEX.

	Paragraph	Page.
<b>Endorsement of promissory notes—<i>could</i></b>		
Vernacular — must be transliterated . . . .	49 (1)	53
Women, verification of — by — . . . .	58	70
Wording of — . . . . .	47	52
<b>Enfacement—</b>		
Of promissory notes for payment of interest . .	38	37
Treasury procedure for recording — . .	38, 39	37
<b>Executor—</b>		
Documents to be produced by — before endorsement can be recognised . . . .	54 (2)	64
Endorsements to and by — . . . .	50	57
<b>Exemption—</b>		
From payment of income-tax on interest on securities	27, 28, 29, 60 (2) (b)	25, 27, 28, 73
<b>F</b>		
<b>Fees (for)—</b>		
Consolidation of securities . . . . .	120	121
Conversion of securities . . . . .	22	19
Renewal of promissory notes . . . . .	69	82
Sub division of securities . . . . .	120	121
Transfer of securities to London . . . .	123	123
<b>Firms—</b>		
Endorsements by mercantile — . . . .	51	59
<b>G</b>		
<b>Government officers—</b>		
Endorsements to or by —, <i>see</i> also under "Securities held by Government Officers" . . . .	52 (4)	62
<b>Guardians—</b>		
Deposit receipt in favour of — . . . .	121	122
Endorsements to or by — . . . .	53, 54 (3)	62, 65
Interest, payment of, to — . . . .	41 note (vi) (4)	43

## INDEX.

	Paragraph	Page
<b>Guardians—contd</b>		
Principal, payment of, for —	96	100
Production of Guardianship Certificate by —	54 (3)	65
<b>H</b>		
<b>Heir—</b>		
Documents to be produced by — before he can dispose of notes . . . . .	54 (1)	64
<b>I</b>		
<b>Illiterate persons, endorsement by . . . . .</b>	59	71
<b>Income tax—</b>		
On interest on Government securities	27, 28, 29, 104	25, 27, 28, 107
<b>Interest—</b>		
Adjustment of — in certain cases of conversion of securities	23	20
Income tax deduction See under "Deduction of Income tax"		
Payment of — See under "Borrow bonds," "Promissory notes" and "Stock certificates"		
Payment of — on securities held by Government officers	103	107
<b>J</b>		
<b>Joint Family— . . . . .</b>	49 (2)	54
Hindu undivided family governed by Mitakshara law .	66	77
<b>Joint holder—</b>		
Proof of death of — . . . . .	49 (2)	54
<b>L</b>		
<b>Loan—</b>		
Current rupee . . . . .	9	11
Issue of new rupee — procedure . . . . .	73 to 88	85 to 94
Form of application . . . . .	77	87
Method of dealing with applications — . . . . .	75	86
Repayment of terminable . . . . .	89 to 97	95 to 102

## INDEX.

	Paragraph	Page
<b>London—</b>		
Transfer of securities to — . . .	123	123
<b>Loss of securities—</b>		
Procedure for obtaining duplicates . . .	122	122
<b>Lunatics—</b>		
Special procedure for — . . .	41 note (v1), 54 (3), 82 (a), 93 (a)	43, 65, 91, 100
<b>M</b>		
<b>Married Women—</b>		
When endorsements by — should be supported by certificate of marriage . . . .	56 (3), 58	68, 70
<b>Minors—</b>		
See under "Guardians "		
<b>Municipal Debentures—</b>		
Safe custody of — . . . .	113	114
<b>N</b>		
<b>Notes—</b>		
See under "Promissory notes "		
<b>O</b>		
<b>Office holders—</b>		
Endorsement by — . . . .	52 (4)	62
Registration as stock-holders . . .	50 note (u)	59
<b>P</b>		
<b>Port Trust Bonds—</b>		
Safe custody of — . . . .	113	114

## INDEX

	Paragraph	Page
<b>Promissory notes—</b>		
Compared with stock certificates and bearer bonds	6, 7	8, 9
Conversion into stock certificates or bearer bonds	16	16
Description of — . . . . .	5 (iii)	5
Dispute as to title	71	84
Endorsement on — See under "Endorsements on promissory notes"		
Fees for consolidation, conversion, renewal and subdivision of — . . . . .	22, 69, 120	19, 82, 121
Held by Government officers See under "Securities held by Government officers"		
Income tax deduction and exemption certificates, registration of	27, 28, 29	25, 28
Loss of — procedure to obtain duplicates . . . . .	122	122
Payment of interest on —		
At Treasuries, Treasury Officer's responsibilities	40	39
At Treasuries, conditions for . . . . .	41	40
At Treasuries, treasury procedure . . . . .	42	44
At Sub treasuries . . . . .	43	46
Held by Government officers . . . . .	98 to 108	103 to 111
Held in safe custody at treasuries . . . . .	115	115
Place of — . . . . .	37	36
Under renewal . . . . .	65 to 68	76 to 80
Repayment of principal of — . . . . .	93, 94	99
Transfer from one loan to another . . . . .	25, 26	22, 23
Transfer to London . . . . .	123	123
Transferable by endorsement . . . . .	45	51
Safe custody at treasuries . . . . .	115	115
Proof of death of joint holder . . . . .	49 (2)	54

## INDEX.

	Paragraph.	Page
<b>Public Debt—</b>		
Decentralisation of — . . . . .	124	124
<b>Public Officers—</b>		
Investment in securities by — . . . . .	114	114
<b>R</b>		
<b>Registration (of)—</b>		
Bearer bonds at treasuries . . . . .	36	35
Documents in support of claim to dispose of promissory notes in certain cases	54	64
Income tax deduction and exemption certificates .	27, 28, 29	25 to 28
Other documents relating to promissory notes	56	67
Treasury procedure for registering documents .	57	68
<b>Renewal (of)—</b>		
Bearer bonds	63	75
Promissory notes . . . . .	65	76
Importance of — . . . . .	64	75
When necessary	65	76
By heirs of deceased holder . . . . .	66	77
Treasury procedure for — . . . . .	68	80
Fees for — . . . . .	69	82
Stock certificates not necessary .	62	75
<b>Repayment of Terminable Loans—</b>		
Bearer bonds . . . . .	91	96
Promissory notes . . . . .	93, 94	98
Securities held by deceased persons . . . . .	96 (b)	101
Securities held by illiterate persons . . . . .	97	101
Securities held by minors and lunatics . . . . .	96 (a)	100
Stock certificates . . . . .	92	97
Stopped securities . . . . .	90	95

## INDEX.

	Paragraph	Page
<b>Rupee Loans—</b>		
Current —, list of . . . . .	9	11
Issue of new — Procedure regarding . . . .	73 to 88	85 to 94
Form of application . . . . .	77	87
Method of dealing with applications . . . .	75	86
Repayment of — . . . . .	89—97	95 to 102
<b>S</b>		
<b>Safe Custody—</b>		
See under "Custody"		
Municipal Debentures . . . . .	113	114
Port Trust Bonds . . . . .	<i>Ibid</i>	114
<b>Securities—</b>		
Consolidation or subdivision of — . . . .	120	121
Issue of duplicates of — lost . . . . .	122	122
<b>Securities held by Government Officers—</b>		
Accounts regarding — . . . . .	112	113
Bearer bonds not to be so held . . . . .	98	103
Commission, when payable . . . . .	111	113
Municipal and Port Trust debentures so held	99, 113	103, 114
Investments by Public Officers . . . . .	114	114
Payment of interest on — . . . . .	117	117
Sale of — . . . . .	110	111
Scrutiny of endorsements before accepting promissory notes . . . . .	100	104
<b>Securities held by Ruling Chiefs and Princes of Indian States—</b>		
Non-deduction of income tax from interest on -- .	60 (2) (b)	73
<b>Special notes—</b>		
For Indian States . . . . .	60 (2)	73

## INDEX.

	Paragraph	Page
<b>Stock Certificates—</b>		
Advantages of — . . . . .	6 (1)	6
Compared with promissory notes and bearer bonds	<i>Ibid</i>	6
Conversion into bearer bonds or promissory note	14	15
Description of — . . . . .	5	5
Income tax deduction and exemption certificates, registration of . . . . .	27, 28, 29	25 to 28
Interest on — . . . . .	30, 31	29, 30, 31
Loss of — . . . . .	122	122
Renewal of — not necessary . . . . .	62	75
Repayment of principal of — . . . . .	92	97
Registration of heirs of deceased holders . . . . .	119	120
Registration of office holders . . . . .	50 note (1), 52 (4)	59, 62
Sale or transfer of — . . . . .	118	119
Transfer to London . . . . .	123	123
Trustees, registration of . . . . .	50 note (1), 51	59, 62
Stop procedure . . . . .	44	48
<b>Sub-treasuries—</b>		
Payment of interest at — . . . . .	43	46
Subdivision of securities . . . . .	120	121
<b>Succession Certificate—</b>		
Necessity for — . . . . .	54 (1)	64
Must specify the securities to which it relates . . . . .	57 (4)	68
<b>T</b>		
<b>Transfer (of)—</b>		
Bearer bonds . . . . .	6 (11)	8
Promissory notes . . . . .	45	51



## INDEX.

	Paragraph	Page
<b>Transfer (of)—<i>contd</i></b>		
Securities to London . . . . .	123	123
Stock certificates . . . . .	118	119
<b>Transfer between loans . . . . .</b>	24, 25, 26	22-23
<b>Treasury Bills . . . . .</b>	8	10
<b>Trust—</b>		
Notice of a — not receivable by Government . . . . .	53	62
Recognition of — in case of stock . . . . .	50 note (1)	59
<b>Treasury Officers'—</b>		
Responsibilities as regards securities work generally . . . . .	3	4
<b>V</b>		
<b>Verification—</b>		
Of endorsements signed by women, when necessary . . . . .	58	70
<b>W</b>		
<b>Women—</b>		
Endorsements by — . . . . .	58	70

